

OCT 4 1991

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No.

In the Supreme Court  
OF THE  
United States

OCTOBER TERM, 1991

ANDERS E. TRELL,  
*Petitioner,*

v.

SENTEX SYSTEMS, INC., and  
WILLIAM R. DAVIS,  
*Respondents.*

**PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT**

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## QUESTIONS PRESENTED FOR REVIEW

The United States Court of Appeals For The Federal Circuit has sanctioned (by affirming without opinion pursuant to Fed.Cir.R. 36) a summary judgment of patent claim invalidity by the United States District Court for the Central District Of California, which summary judgment proceedings so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

The specific questions presented for review are:

1. Whether it was improper for the district court to conduct a trial of the issue of patent claim validity on declarations under the guise of deciding a motion for summary judgment, by making credibility determinations, weighing the evidence, and adjudging that claims 4 and 9 are invalid.
2. Whether summary judgment that claims 4 and 9 are invalid was improper because Respondents failed to carry their burden of showing that there is no genuine issue as to any material fact.
3. Whether it was improper for the district court to adjudicate the validity of independent patent claim 4 as to which there was no actual controversy under 28 U.S.C. § 2201, for the purpose of facilitating its determination of invalidity of dependent claim 9.

## TABLE OF CONTENTS

	<u>Page</u>
<b>QUESTIONS PRESENTED FOR REVIEW . . . . .</b>	i
<b>TABLE OF CONTENTS . . . . .</b>	ii
<b>TABLE OF AUTHORITIES . . . . .</b>	iv
<b>JURISDICTION . . . . .</b>	vi
<b>STATUTES INVOLVED . . . . .</b>	vi
<b>STATEMENT OF THE CASE . . . . .</b>	1
Description Of The Apparatus Of Claims 4 And 9	2
Pleadings . . . . .	3
Summaries Of The Declarations Filed In Sup- port Of Respondents' Renewed Motion For Summary Judgment . . . . .	5
Summaries Of The Declarations And Deposition Transcripts Filed In Opposition To Respon- dents' Renewed Motion For Summary Judg- ment . . . . .	10
The District Court's Weighing Of The Evidence And Its Adjudications Of The Genuine Issues As To The Material Facts . . . . .	14
<b>REASONS FOR GRANTING THE WRIT . . . . .</b>	18
1. It was improper for the District Court to conduct a trial by declarations of the issue of patent claim validity under the guise of decid- ing a motion for summary judgment, and to accept as being true, all of the unsupported statements contained in the declarations filed in support of the motion, and to reject as not being persuasive, all of the declarations and evidence filed in opposition to the motion . . .	18

2. The District Court erred in granting summary judgment that claims 4 and 9 are invalid, because Respondents failed to carry their burden of showing that there is no genuine issue as to any material fact .....	24
3. It was error for the District Court to adjudicate the validity of independent claim 4 as to which there was no actual controversy under 28 U.S.C. § 2201, for the purpose of facilitating its determination of invalidity of dependent claim 9.....	25
CONCLUSION .....	27

## TABLE OF AUTHORITIES

	<u>Cases</u>
	<u>Page</u>
<i>Adickes v. Kress &amp; Co.</i> , 398 U.S. 144, 26 L.Ed.2d 142, 90 S.Ct. 1598 (1970) .....	24
<i>Anderson v. Liberty Lobby, Inc.</i> , 477 U.S. 242, 91 L.Ed.2d 202, 106 S.Ct. 2505 (1986).....	18, 19
<i>Buildex, Inc. v. Kason Industries, Inc.</i> , 849 F.2d 1461 (Fed.Cir. 1988) .....	19
<i>Colorado v. New Mexico</i> , 467 U.S. 310 (1984) ....	19
<i>Graham v. John Deere Co.</i> , 383 U.S. 1, 15 L.Ed.2d 545, 86 S.Ct. 684 (1966) .....	17
<i>Grain Processing Corp. v. American Maize-Products</i> , 840 F.2d 902 (Fed.Cir. 1988) .....	25
<i>Great Northern Corp. v. Davis Core &amp; Pad Co., Inc.</i> , 782 F.2d 159 (Fed.Cir. 1986) .....	25
<i>Lindemann Maschinenfabrik v. Am. Hoist And Derrick</i> , 730 F.2d 1452 (Fed.Cir. 1984) .....	22
<i>In Re Winslow</i> , 365 F.2d 1017 (CCPA 1966) ....	26, 27
<b>Statutes</b>	
United States Code, Title 28, Sec. 1254(1) .....	vi
United States Code, Title 28, Sec. 1338(a) .....	4
United States Code, Title 28, Sec. 2201 .....	i, 25
United States Code, Title 35, Sec. 102 .....	vi
United States Code, Title 35, Sec. 103 .....	vi, 26
United States Code, Title 35, Sec. 282 .....	vii, 19

**TABLE OF AUTHORITIES****Rules**

	<u>Page</u>
Federal Circuit Rule 36 .....	i, vi
Federal Rules of Evidence, Rule 408.....	23
Federal Rules of Evidence, Rule 701.....	23

## JURISDICTION

The Judgment of the United States Court of Appeals for the Federal Circuit (Appeal No. 91-1068) affirming the Judgment of the United States District Court for the Central District of California (Case No. CV 89-3355) pursuant to Fed. Cir. R. 36 (without opinion), was Entered on June 7, 1991.

A timely filed Petition for Rehearing was denied on July 9, 1991.

This Court has jurisdiction under 28 U.S.C. § 1254(1).

## STATUTES INVOLVED

35 U.S.C. § 102. *Conditions for patentability; novelty and loss of right to patent*

A person shall be entitled to a patent unless —

(a) The invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or . . .

35 U.S.C. § 103. *Conditions for patentability; non-obvious subject matter* —

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

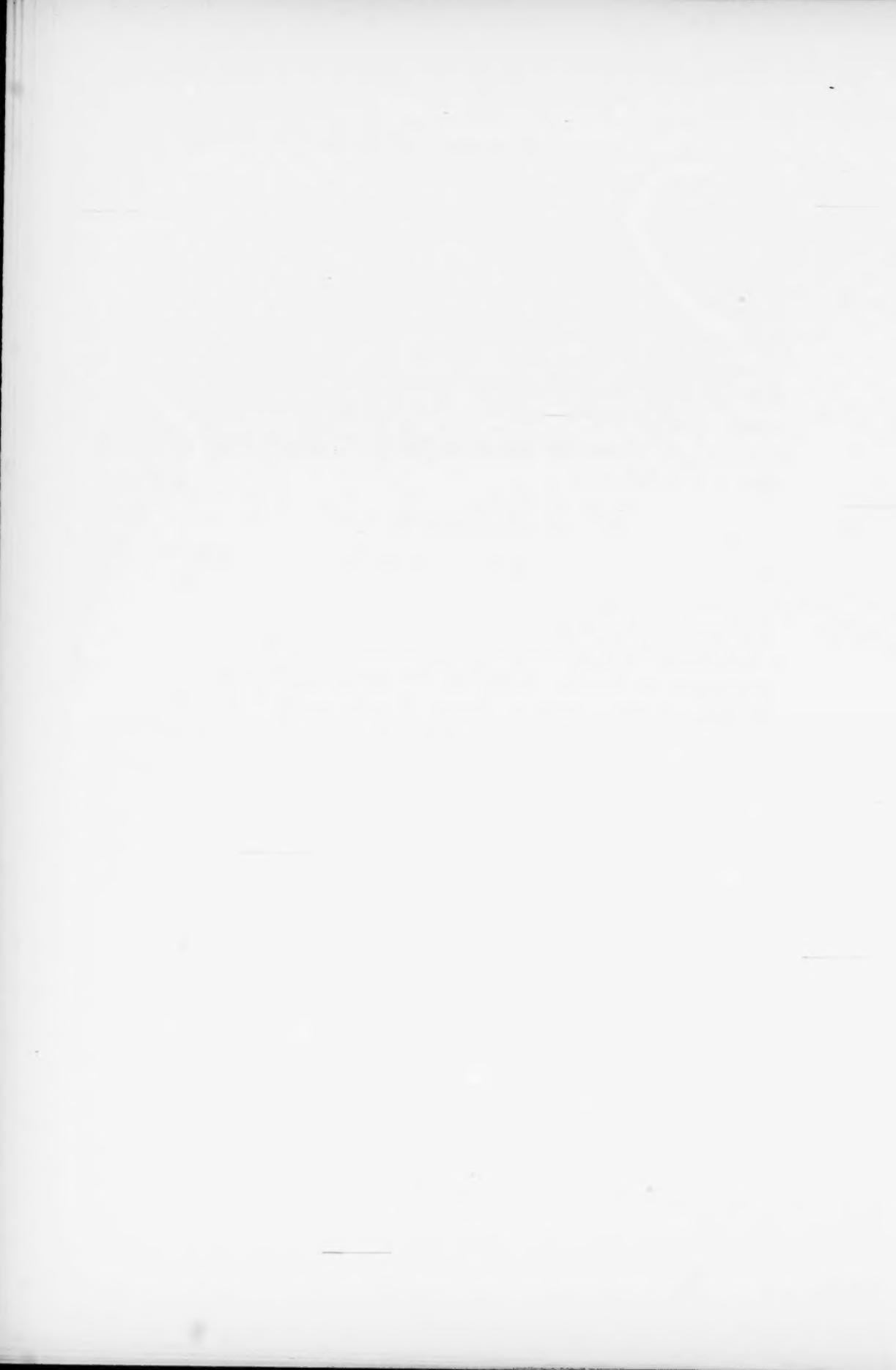
Patentability shall not be negated by the manner in which the invention was made.

35 U.S.C. § 282. *Presumption of validity; defense*

A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

28 U.S.C. § 2201. *Creation of remedy*

(a) In a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.



## STATEMENT OF THE CASE

United States Letters Patent 3,947,641 issued to Petitioner on March 30, 1976, based upon an application filed June 3, 1974. Petitioner claimed the benefit of the filing date of June 7, 1973 of Swedish patent application No. 7308086. The District Court deemed Petitioner's invention date to be his Swedish filing date of June 7, 1973.

Claims 4 and 9 of the suit patent, which are the claims in issue, read as follows:

4. In combination with a public automatic subscriber telephone network an apparatus having connecting means by which the apparatus can be connected to a door lock, comprising:

switching means by which said apparatus can be coupled onto a telephone line going out to the automatic exchanges of said telephone network;

selecting means for dialing telephone numbers to said telephone network;

discriminating means for securing that only certain telephone numbers out of all those of the whole said telephone network can be selected resulting in said telephone networks performing a call to one of said telephone networks subscriber telephone sets;

means for verbal communication with said subscriber telephone; and

means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock.

9. The combination of claim 4, wherein said selecting means also addresses a common combination lock device.

## Description Of The Apparatus Of Claims 4 And 9

The subject matter of these claims is a telephone entry control system which is used in combination with a public automatic telephone network, for controlling access to a locked building containing a locked door and also containing telephones which are connected to the public telephone network, such as an apartment building.

Claim 4 covers what can be referred to as one form of the basic apparatus. Described in general terms (with claim language being shown within quotation marks), the system includes an entrance telephone set outside the building, which set is "coupled" onto a telephone line going to the automatic exchanges of said telephone network, and which includes "selecting means for dialing telephone numbers to said telephone network."

A visitor desiring to gain access to the building consults a tenant's directory and locates the short number which has been assigned to the tenant he desires to contact. The visitor then dials the short number on the entrance set using the aforesaid "selecting means".

The apparatus also contains "discriminating means for securing that only certain telephone numbers out of all those of the whole said telephone network can be selected resulting in said telephone networks performing a call to one of said telephone networks subscriber telephone sets". Thus, the apparatus examines the number which has been dialed, and if it corresponds to a programmed number which has been assigned to a tenant, the apparatus automatically dials the tenant's actual telephone number to the central office through the public telephone network, which causes the tenant's telephone to ring.

The apparatus further contains "means for verbal communication with said subscriber telephone". Thus, the visitor and the tenant can converse in a normal manner.

Lastly, the apparatus includes "means responsive to signals induced from said subscriber telephone for there-

upon releasing said door lock." Thus, if the tenant wishes to permit the visitor to enter the building, the tenant depresses, for example, the number 9 button on his telephone, which produces a signal which returns to the apparatus via the public telephone network, thereupon actuating a door strike which releases the door lock and permits the visitor to enter the building.

Claim 9, which is independent from claim 4, includes all of the limitations or features of claim 4, plus what has been referred to in the case as the direct access feature.

In practice, each tenant chooses or is assigned a secret or personal number different from the directory number, which the tenant can use for gaining access to the building using the same "selecting means" at the entrance set to dial the secret or personal number, which "addresses a common combination lock device" in the apparatus to actuate the door strike and release the door lock. Thus, when a number is dialed at the entrance set using the "selecting means", it is checked at the "discriminating means" and if it is recognized as a tenant's number, it is routed through the public telephone network to the tenant's telephone, as previously described. On the other hand, if it is recognized as a tenant's secret or personal number, it is routed directly to the "common combination lock device" without going through the public telephone network.

### Pleadings

On March 7, 1989, Petitioner's attorney sent a letter to Respondent Sentex, advising it of the recent decision of the Court of Appeals in the Marlee case; stating that Sentex's entry control systems appear to infringe claim 9 of patent 3,946,641; and offering Sentex a non-exclusive license at a royalty rate of six (6) percent of the wholesale selling price of the equipment.

On June 1, 1989, Petitioner filed a Complaint For Patent Infringement against the Respondents in the United States District Court for the Central District of California, alleg-

ing that each of them has knowingly and willfully been a direct infringer, a contributory infringer, and/or has induced the infringement of claim 9 of patent 3,947,641 (Case No. CV 89-3355). The basis for federal jurisdiction of the United States District Court is 28 U.S.C. § 1338(a). The case was transferred to Judge Tevrizian under the "low number rule" of the Central Judicial District of California.

On August 21, 1989, Respondents filed their Answer And Counterclaim, denying the validity and infringement of patent 3,947,641, and, in a Counterclaim For Declaratory Judgment, alleged there was an actual controversy as to the validity and infringement of patent 3,947,641, and prayed that the Court enter a Judgment that said patent and each and every claim thereof is invalid.

Petitioner's Answer To Counterclaim For Declaratory Judgment denied there was an actual controversy as to any claim other than claim 9.

In an Order for Court Trial, the District Court stated that no motions for Summary Judgment or Partial Summary Judgment may be filed later than fifteen (15) days after the discovery cut-off date. In a separate order, the discovery cut-off date was stated to be April 30, 1990.

On May 7, 1990, Respondents filed a Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9. At a hearing on May 29, 1990, the District Court orally denied Respondents' Motion For Summary Judgment, without prejudice.

Respondents filed a Renewed Motion For Summary Judgment Of Invalidity Of Claims 4 And 9 on June 18, 1990, more than fifteen (15) days after the discovery cut-off date. The discovery cut-off date had not been extended.

Oral argument on Respondents' Renewed Motion For Summary Judgment was ultimately scheduled for 10:00 a.m. on August 20, 1990.

At approximately 1:30 p.m. on August 20, 1990, prior to the oral hearing in the matter, counsel for the parties were handed copies of the District Court's "Memorandum Of Decision And Order", granting Respondents' Motion For Summary Judgment Of Invalidity Of Claims 4 And 9. The document had already been signed by the District Court and marked "Filed" that same date (P.A. 1a-20a).\*

**Summaries Of The Declarations Filed In Support Of Respondents' Renewed Motion For Summary Judgment.**

1. Hector Ruiz, the owner of a private telephone equipment company in Pasadena, stated that:

When he commenced work with Pacific Telephone in 1969, he was based at the facility located at 921 East Compton Street. That facility, as well as other Pacific Telephone facilities he visited, had an entry control system at its entrance to open the normally locked door at the entrance. The system included a standard telephone instrument on the wall at the entrance. He and other employees at the facility were provided with the same number which they were to dial into the entrance telephone via its rotary dial in order to gain access to the building. When this number was dialed, the door unlocked directly, permitting the employee to enter the building.

A set of instructions posted near the telephone advised non-employees to dial a number which was different from the employees number in order to gain entrance to the building. The telephone instrument at the entrance was connected to selected employee telephones via a local switching device and a dedicated line. The dialing of the non-employee telephone number would cause one of the dedicated line-selecting buttons to flash, and the dialed employee's telephone to ring. The employee would push the dedicated line selecting button, and lift the handset to

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\* The letters "P.A." refer to Petitioner's Appendix attached hereto.

establish voice contact with the person at the entrance. If the person's entry was desired, the employee would dial a number which, instead of ringing a telephone, activated the striker at the entrance.

Attached as Exhibit 1 to Mr. Ruiz's declaration, is a photocopy of a page from a ring binder, containing the words ENTRY CONTROL SERVICE at the top and a listing of the installation charge and the monthly rate for various types of equipment which were not specifically described.

Mr. Ruiz did not produce any drawings or schematic wiring diagrams showing the electrical circuits to which he referred.

2. Robert Margolis, a businessman and co-founder of Marlee Electronics Corporation, stated that:

Instrumentation Technology Corporation (ITC), delivered a prototype unit to Marlee on or about March 5, 1973.

On April 2-4, 1973, Marlee demonstrated the Entraguard prototype unit at the "Apartment Builder/Developer Conference And Exposition" in Miami, Florida.

The prototype was mounted to a panel in the booth, and a hinged door with an electric door strike was mounted to another panel. They had ordered two telephone lines installed at the booth, and one standard telephone. The telephone was connected to one of the telephone lines, and was placed on a coffee table to represent a tenant's telephone. The second telephone line was connected to the prototype unit. To demonstrate the Entraguard system, visitors were encouraged to dial a three digit code into the prototype unit, which code the person selected from a model directory. *The prototype unit had been programmed to dial the telephone number of the tenant's telephone on the coffee table, regardless of which code was selected.* When the tenant's telephone rang, a different person would pick up the telephone, converse with the first person, and then dial "9", which would cause the prototype unit to activate the door

strike, permitting the door to be opened (Emphasis added.).

3. John A. Ahlstrom, an employee of Respondent Sentex, who was formerly employed at Instrumentation Technology Corporation and who did the conceptional design work on what was later designated as the Entraguard system, stated that:

In the Spring of 1973, prior to the month of June, he attended a trade show in Miami, Florida at which Marlee introduced the Entraguard. He was at the show for 3 or 4 days to answer technical questions and to solve any technical problem which might arise. Marlee had rented booth space at the show, and demonstrated the prototype made by ITC. The prototype was connected to the Miami public telephone system. A simulated building directory was placed adjacent to the connected prototype, and a second telephone line was connected to an ordinary telephone in the booth, which represented a tenant's telephone.

The Entraguard unit was programmed to dial the telephone number of the "tenant" telephone via the Miami public telephone network *regardless of which code number was selected from the directory* (Emphasis added.).

In 1966, he had seen a direct access system which used key-pad entry at Computer Measurement Company ("CMC"), a former employer. The system used by CMC employed a ten-key set of numbered buttons adjacent to a normally locked entranceway. If one entered the proper sequence of numbers, the entranceway door strike was activated, and the door could be opened.

The addition of a direct access feature to the Entraguard unit, by which the entrance door could be unlocked without involving the public telephone network via entry of an access code into the Entraguard keypad, would have been an obvious and trivial modification in late 1972 and early 1973.

Furthermore, the addition of a direct access feature using the Entraguard's telephone keypad would have been obvious to any circuit designer of ordinary skill in view of that same combination of telephone entry and direct access in the Pacific Telephone system described in the declaration and deposition transcript of Hector Ruiz, both of which he had reviewed.

4. Don Janess, President of Instrumentation Technology Systems . . . who was represented by Respondents' attorney in discovery matters in the case at bench, stated that:

In late 1972, while at ITC he was assigned to design and develop an entry control system for one of ITC's customers, namely Marlee Electronics, which was eventually called the Marlee Entraguard, and he eventually built a working prototype. During the course of the development program, he was responsible for the detailed circuit design, and personally designed most of the system's circuitry. During the project, he reported to John Ahlstrom, ITC's vice president and director of engineering.

He reviewed U.S. Patent 3,947,641, including claims 4 and 9 thereof. The Entraguard prototype that he developed for Marlee in late 1972 and early 1973 and which was shipped by ITC to Marlee for exhibition at a Miami trade show included each and every element set forth in claim 4 of the Trell patent. He described the circuitry of the Entraguard unit using words which he considered to be the equivalent of the words in the claim.

Had Marlee requested in 1973 that a direct access feature be included in the entry control system he was designing for them, the addition of such a feature would have been trivial.

He has reviewed U.S. Patent 3,633,167 (Hedin), and the addition of a keypad direct entry feature to the Entraguard system would have been obvious to an average designer of entry control systems in April 1973, based upon the Hedin patent alone.

The addition of a direct access feature, using the Entraguard's keypad and memory, to the Entraguard system would also have been entirely obvious in view of the combination of telephone entry and direct access which had already been provided for years by the Pacific Telephone entry control system described in the declaration and deposition transcript of Hector Ruiz, which he had reviewed.

5. James M. Lesher, who is president of an electronics and computer consulting company named Percentage Corporation, stated that:

Between October or November 1971 and March 1972, he redesigned the Identifone entry control system being sold by Dialalarm, Inc. to eliminate some problems the company had been experiencing with the magnetic tape version. The first such redesigned Identifone was installed in a customer's apartment building by Dialalarm in April 1972.

On December 27, 1972, he filed an application for a U.S. patent directed to the redesigned Identifone, which was assigned Serial No. 319,043. Also, some time in late 1972, he started working on a design which enabled the tenant to use their telephone's keypad instead of the hand-held tone generator, and constructed the first such unit.

On February 15, 1974, he filed a continuation-in-part application for U.S. patent. The CIP application was the same in content as, and claimed the priority of his 1972 patent application, except that it additionally described the use of the tenant telephone's keypad or dial as an alternative to the handheld tone generator to generate the door-opening tone from the tenant's telephone.

Attached as Exhibit 2 to his Declaration was a copy of patent 3,917,911, which issued to Mr. Lesher on November 4, 1975.

He has reviewed U.S. patent 3,947,641, including claims 4 and 9 thereof, and the Identifone unit which he developed in late 1972, and which was on sale and/or in public use prior to June 1, 1973 included each and every element set forth in

claim 4 of the Trell patent. He described the circuitry of the Identifone unit using words which he considered to be the equivalent of the words in the claim. Had anyone requested in 1973 that a direct access feature be included in the Identifone system, the addition of such a feature would have been obvious.

He has reviewed U.S. Patent 3,633,167 (Hedin), and the addition of a keypad direct entry feature to the Identifone system would have been obvious to an average designer of entry control systems in April 1973, based upon the Hedin patent alone.

He has reviewed the declaration of Hector Ruiz, and it is unthinkable that the Pacific Telephone system described by Mr. Ruiz could have failed to suggest to an ordinary circuit designer of entry control systems that one could combine telephone entry and direct access into a single entry control system, and use the dial or keypad of the entrance telephone for entry of both direct access code and the telephone entry code.

**Summaries Of The Declarations And Deposition Transcripts Filed In Opposition To Respondents' Renewed Motion For Summary Judgment.**

1. A License Agreement was entered into as of September 27, 1983, between Petitioner Anders Trell (Licensor) and Bewator Svensk Teleproduktion AB, a corporation of Sweden (Licensee).

Briefly stated, Bewator was granted the exclusive right to manufacture, use and sell the Invention in Europe, with the right to expand the license outside of Europe by making an additional payment of a non-recurring sum of 50,000 Swedish kronor per country. The first "Whereas" clause reads as follows:

"WHEREAS, the Licensor has invented an entry phone with a complimentary alarm function (herein designated as the "Invention"), which is connected to the regular telephone network. It is based on ideas

stated in the patents and patent applications as per Exhibit 1 to this Agreement."

Exhibit 1 contains a list of six (6) issued patents, one of which is "U.S.A. granted March 30, 1976, No. 3,947,641", the patent here in suit (P.A. 27a).

Licensee Bewator agreed to pay to Licensor Trell:

- (a) A non-recurring sum of fifty thousand (50,000) Swedish kronor at the time the Agreement enters into effect,
- (b) A royalty of 6% of the net invoice amount upon sale of devices pursuant to the Invention up to an aggregate amount of 20 million kronor and 4% thereafter, and
- (c) A 30% share of gross sublicense revenues.

2. As of August 1, 1989, Petitioner granted a non-exclusive License in the United States under claim 9 of Trell patent 3,947,641 to Trigon Electronics, Inc., a California corporation, for a payment of \$10,000 for infringements occurring prior to August 1, 1989, and the payment of an earned royalty to Trell each calendar quarter at the rate of four (4) percent of the net selling price, excluding shipping charges and discounts, of all entry control systems sold by Trigon which embodied the invention disclosed in patent 3,947,641 and described in claim 9 thereto.

William A. Gagnon, President of Trigon Electronics, Inc. stated in his Declaration that:

During the settlement negotiations prior to the execution of the aforesaid License Agreement, he had briefly viewed copies of drawings pertaining to telephone security systems bearing the names of Pacific Telephone and General Telephone which had been sent to him by Mr. Richmond of Doorking, Inc. as being prior art regarding the Trell patent, but these did not dissuade him from going ahead with the settlement.

Trigon Electronics, Inc. now is and has been selling to General Telephone of California, Inc., Trigon telephone entry control systems which GTE installs and rents to its customers, which Trigon systems include the subject matter of claim 9 of Trell patent 3,947,641, and upon which Trigon now is and has been paying an earned royalty to Mr. Trell.

Declarant advised representatives of GTE that Trigon has been licensed under claim 9 of Trell patent 3,947,641, and is paying a royalty to Trell on the entry control systems with the direct access feature which GTE is purchasing from Trigon, which royalty has increased the price of the units with the direct access feature, and GTE is willing to pay an additional amount for the direct access feature.

3. On January 1, 1990, Anders E. Trell and Moscow Richmond, both individually and as President of Doorking, Inc., signed a Settlement Release And License Agreement under which Doorking, Inc. became licensed under Trell patent 3,947,641.

Pursuant to the aforesaid Agreement, Petitioner received a payment of \$125,000, \$25,000 of which was payment for the infringement of patent 3,947,641 which occurred prior to January 1, 1990 and \$100,000 was for a paid-up license, both of which payments were based upon a five (5) percent royalty on the apparatus. All of the entry control systems sold by Doorking, Inc. include the direct access feature of claim 9.

4. In a letter to Petitioner Trell dated May 17, 1990, Respondent Davis, President of Respondent Sentex stated that Sentex is willing to make Mr. Trell its exclusive distributor of its Infinity-System in Europe and the U.K., in exchange for a paid-up license under Trell's patent 3,947,641.

5. Walton Eugene Tinsley, Petitioner's patent expert stated in his declaration, in part, that:

~ I have a Degree in Electrical Engineering from the University of Cincinnati, a Masters Degree in Aeronautical

Engineering from the New York University, and a Juris Doctor Degree in Law from the University of Southern California. I have practiced patent law in Los Angeles since 1954, starting with the then firm Harris, Kiech, Foster & Harris, and am a partner in the succeeding firm Harris, Kern, Wallen & Tinsley. My practice has been in the field of patent and trademark law and I have prepared and prosecuted on the average of twenty-five patent applications per year, primarily in the electrical, electrochemical and mechanical fields. I have participated in and or conducted about a dozen patent infringement trials during that period.

In my senior year in electrical engineering I was given and completed a project of placing a portion of a telephone company central office in operation in the engineering department. I have prepared and prosecuted many patent applications for companies which develop equipment for the telephone companies or which utilize telephone company equipment, including Scantlan Electronics, Inc., now Quotron Systems, Inc. and Communications Technology Corporation.

The Entraguard system installed at the Miami Trade Show was programmed to dial the telephone number of the "tenant" telephone via the Miami public telephone network regardless of which code number was selected from the directory. See Ahlstrom Declaration page 5 lines 12-14. Such operation is the same as having a direct dedicated line from the prototype to the ordinary telephone representing the tenants telephone, and could readily be achieved by a direct connection between the units without using the public telephone system.

It is my opinion that the differences between the subject matter of the invention defined in the Trell patent claim 9 and the prior art relied on by defendants in their Motion for Summary Judgment are such that the subject matter as a whole would not have been obvious at the time the Trell invention was made, to a person having ordinary skill in the art to which said subject matter pertains.

More specifically, a key feature of claim 9 is the provision of a unitary entry control system providing both (1) access to and verbal communication with a subscriber or tenant by a person seeking entry through the existing telephone company central office network using one code number, and (2) actuation of the door lock mechanism by the person seeking entry using another code number, with a discriminating means permitting transmission only of certain numbers.

While components can be selected from the various items of prior art and combined in the manner taught by the Trell patent in order to produce the apparatus of claim 9, there is nothing in any of the prior art which contains any teaching or suggestion of the concept of such a combination.

The prior art and defendants Declarants show that a considerable number of skilled workers in this field in the early 1970s were developing a variety of access control systems. However none of these people, who had at least ordinary skill in this field and who had other concepts, most of which were reduced to practice and a number of which were manufactured and sold commercially, came up with Mr. Trell's admittedly unique concept. It is submitted that the opinions on obviousness in the Declarations filed by defendants are based on hindsight and are not correct.

The basis for my opinion is set out in the following discussion wherein each of the defendants Declarations is considered separately.

#### **The District Court's Weighing Of The Evidence And Its Adjudications Of The Genuine Issues As To The Material Facts.**

##### **Regarding Claim 4**

The District Court accepted as true, the statements of Respondent Sentex's employee John Ahlstrom and Robert Margolis that the Entraguard was "demonstrated" at the "Apartment Builder/Developer Conference and Exposition" in Miami, Florida on April 2-4, 1973 (P.A. 6a).

The District Court further stated: "Through the declaration of John Ahlstrom defendants have proffered evidence that the device was connected to the Miami public telephone system" (P.A. 9a).

The District Court further accepted as true, the statement of Respondents' Declarant Robert Margolis that an order for an Entraguard unit was placed on May 15, 1973 and was shipped to a customer on June 1, 1973 (P.A. 7a), even though the "invoice" shows that it was a "will call" (W/C) (P.A. 26a).

The District Court failed to understand the significance of the statement of Petitioner's patent expert Tinsley that with the prototype Entraguard at the trade show in Miami being programmed to dial the "tenant" telephone regardless of the number which was dialed using the selecting means, it was the same as having a direct dedicated line from the prototype to the ordinary telephone representing the tenant's telephone, and could readily be achieved by a direct connection between the units without using the Miami public telephone system.

The District Court concluded that this argument is irrelevant, stating (P.A. 9a-10a).

"The plaintiff argues that the device used at the Miami tradeshow was no different than having a dedicated line. However, this argument is irrelevant. The important point is that the device required the use of the code to activate the mechanism which would then use the public phone network to call the receiving phone".

The District Court accepted as true, the statement (opinion!) of Respondents' Declarant Don Janess . . . whom the court determined was a person having ordinary skill in the art . . . as "tracking" claim 4 of the patent with his description of the Entraguard as demonstrated at the Florida trade show in 1973, which show Mr. Janess did not attend (P.A. 8a-9a).

The District Court termed "uncontradicted evidence" (without any documentary evidence in support thereof), the statement of Respondents' Declarant James Lesher that the first devices known as the Identifone were sold in 1972 (P.A. 7a). The District Court also accepted as true, Mr. Lesher's statement (without any documentary evidence) that the device was first installed in an apartment building in April 1972 (P.A. 10a).

The District Court further accepted as true, the statement (opinion?) of Mr. Lesher... whom the court determined was a person having ordinary skill in the art... describing the construction and operation of the Identifone unit by following the wording of claim four, which the Court determined "exactly tracks the elements in claim four of the '641 patent" (P.A. 11a).

The District Court determined as a matter of law by its study of the Trell patent and the Identifone patent, that the hand held tone generator of the Lesher patent "appears to fall within the parameters of claim four of the '641 patent" with regard to "means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock" (P.A. 11a).

### Regarding Claim 9

The District Court accepted as true, the statements contained in the Declaration of Hector Ruiz regarding the Pacific Telephone system (P.A. 13a-15a).

Yet, Mr. Ruiz did not produce a single drawing or a single schematic wiring diagram to substantiate any of his statements.

The District Court did not find the declaration of Petitioner's patent expert W. E. Tinsley to be persuasive (P.A. 17a).

The District Court did not find the declaration of Petitioner's technical expert Heinlein to be persuasive because

he does not have "the requisite ordinary skill in the art" (P.A. 17a).

The District Court found otherwise as to the declarations submitted on behalf of Respondents, stating (P.A. 18a):

"On the other hand, the defendants have presented the declarations of Janess, Ahlstrom and Lesher that the addition of the Pacific Telephone system's use of the entryway telephone dial for the entry of both the telephone codes and entrance codes to either the Entraguard or the Identifone was obvious in 1972-73. Decl. of Ahlstrom para. 14-16, Decl. of Janess, para. 10-11, Decl. of Lesher, para. 17-18".

The District Court had determined that "Messrs. Janess, Ahlstrom and Lesher were each persons of ordinary skill in the art in the April 1973 time frame".

With regard to the "secondary considerations" of commercial success referred to in *Graham v. John Deere Co.*, 383 U.S. 1, 15 L.Ed.2d 545, 86 S.Ct. 684 (1966), the District Court stated:

"The plaintiff also produces evidence of a license between Trell and Bewator Svensk Teleproduktion. However, that license only applies to European patents. The validity of any patents in Europe is not affected by a finding of invalidity in the United States as patents are governed by laws of their respective countries. Again, Trell has not shown the required nexus (P.A. 19a-20a)."

"The last two licenses that Trell produces are the Door King and the Trigon licenses. The court does not find these licenses persuasive. First, the evidence is barred by Federal Rule of Civil Procedure 408 since they are the product of settlements. Moreover, even if this court were to admit the evidence, as shown by the deposition presented by the defendants, the Door King license was motivated by the desire to settle litigation. See Depo. of Richmond pp. 58-60. In addition, the

Trigon license was based on the erroneous belief that the federal circuit opinion in *Marlee* upheld the validity of claim nine. Depo. of Gagnon, pg. 37. The plaintiff has presented no evidence that would contradict this and has consequently failed to establish the requisite nexus" (P.A. 20a).

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## REASONS FOR GRANTING THE WRIT

1. It was improper for the District Court to conduct a trial by declarations of the issue of patent claim validity under the guise of deciding a motion for summary judgment, and to accept as being true, all of the unsupported statements contained in the declarations filed in support of the motion, and to reject as not being persuasive, all of the declarations and evidence filed in opposition to the motion.

In *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 91 L.Ed.2d 202, 106 S.Ct. 2505 (1986), this Court made several statements of the law applicable to cases involving motions for summary judgment, which are very pertinent to the present situation.

Firstly, the Court stated at 477 U.S. 249 as follows:

"Our prior decisions may not have uniformly recited the same language in describing genuine factual issues under Rule 56, but it is clear enough from our recent cases that at the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial."

It is indicated by the act of the district court in permitting (suggesting!) the filing of the Renewed Motion For Summary Judgment Of Invalidity Of Claims 4 And 9 after the time for the filing of motions for summary judgment had passed, that the district court was intent on disposing of the case at the summary judgment stage.

Next, this Court stated as follows at page 477 U.S. 242 regarding the evidentiary standard of proof:

"Progressing to the specific issue in this case, we are convinced that the inquiry involved in a ruling on a motion for summary judgment or for a directed verdict necessarily implicates the substantive evidentiary standard of proof that would apply at the trial on the merits."

In patent cases, 35 U.S.C. § 282 mandates that a patent is presumed to be valid and that the burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity. The great weight of the reported cases hold (and the district court admitted) that this presumption can be overcome only by clear and convincing evidence.

In *Buildex, Inc. v. Kason Industries, Inc.*, 849 F.2d 1461, 1463 (Fed.Cir. 1988), the court stated that "'clear and convincing' evidence has been described as evidence which produces in the mind of the trier of fact 'an abiding conviction that the truth of [the] factual contentions are "highly probable"', citing *Colorado v. New Mexico*, 467 U.S. 310, 316 (1984).

And lastly, this Court stated as follows at page 477 U.S. 255:

"Our holding that the clear-and-convincing standard of proof should be taken into account in ruling on summary judgment motions does not denigrate the role of the jury. It by no means authorizes trial on affidavits. Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge, whether he is ruling on a motion for summary judgment or for a directed verdict. *The evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor*" (Emphasis added.).

In its Memorandum Of Decision And Order, the District Court referred to many of the well-established rules of law to be applied in deciding motions for summary judgment in patent cases, including that the evidence must be viewed in a light most favorable to the non-moving party and that the presumption of patent validity can be rebutted only with clear and convincing evidence.

Unfortunately, the District Court disregarded all of these established rules of law, and adjudicated the matter now before this Court by the simple expediency of accepting as being true, all of the statements contained in the declarations filed in support of the Renewed Motion For Summary Judgment, and by rejecting as not being persuasive, all of the declarations and evidence filed in opposition to the Motion.

Turning first to claim 4 which requires that the apparatus be used in combination with a public automatic subscriber telephone network, the District Court found that the Entraguard was "demonstrated" at the show in Miami, Florida, based solely upon the declarations of Messrs. Margolis and Ahlstrom, and that "through the declaration of John Ahlstrom defendants have proffered evidence that the device was connected to the Miami public telephone network".

Contrasted with these unsupported statements are the following facts:

- There is no documentary evidence that two telephone lines were ordered for the Trade Show in Miami, Florida, or that Marlee paid for the installation and use of two telephone lines.
- There is no documentary evidence or even a statement by any of Messrs. Margolis, Ahlstrom and Janess, that the single prototype Entraguard unit was tested prior to being shipped to Miami, to determine whether it was capable of being used in combination with the Miami public telephone network, or with any public telephone network.

- There is no documentary evidence or even a statement by any of Messrs. Margolis, Ahlstrom and Janess that after the Trade Show and prior to petitioner's invention date of June 7, 1973, the Entraguard prototype (or any other Marlee entry control device) was installed in an apartment building and used in combination with a public telephone network to admit visitors to the apartment, as described in claim 4.

The District Court further stated: "There is evidence that an Order for an Entraguard unit was placed on May 15, 1973, and was shipped to a customer on June 1, 1973. Decl. of Margolis, para. 9. The Entraguard thus predates patent '641".

Exhibit 6 to the Margolis declaration is a photocopy of an invoice dated June 5, 1973, which contains the letters "W/C" under the "box" which contains the words "Shipped via" (P.A. 26a). It is common knowledge that the letters "W/C" are used to designate "will call".

Thus, there is no evidence of the date when the single unit . . . which might have been the prototype displayed at the trade show in Miami . . . was picked up by a purchaser; nor is there any evidence when it was installed, if at all.

With regard to the construction features of the Entraguard prototype, the District Court relied solely on the description by Mr. Janess of an apparatus which he purportedly designed some eighteen (18) years ago, which description the Court found "exactly tracks claim four of the '641 patent".

With regard to the Identifone unit, the District Court relied solely on the statements in Mr. Lesher's Declaration that it was sold in the United States in 1972 and was first installed in an apartment building in April 1972. Here again, there is no documentary evidence whatsoever such as orders, invoices, receipts, and the like . . . only Mr. Lesher's memory of what occurred some eighteen (18) years ago.

As with the Entraguard unit, for the construction features of the Identifone unit the District Court relied upon Mr. Lesher's description "which exactly tracks the elements of claim four of the '641 patent".

The District Court further determined as a matter of law, by merely reading the Trell patent and the Identifone patent that the hand held tone generator of the Identifone system met the claim four requirement regarding signals induced from said subscriber telephone.

This simplistic approach (and the results) is clearly contrary to the holding in *Lindemann Maschinenfabrik v. Am. Hoist And Derrick*, 730 Fed.2d 1452, 1458 (Fed.Cir. 1984), wherein the court stated as follows:

"In deciding the issue of anticipation, the trier of fact must identify the elements of the claims, determine their meaning in the light of the specification and prosecution history, and identify corresponding elements disclosed in the allegedly anticipating reference."

This same fatal error of the District Court occurred when it accepted the statements contained in the declarations of Messrs. Janess and Lesher as "tracking claim 4 of the '641 patent".

With regard to claim 9, the District Court relied upon the declaration and deposition testimony of Hector Ruiz (as "clear and convincing" evidence!) for the construction and operation of the so-called Pacific Telephone entry control system, without there being a single drawing or a single schematic wiring diagram to substantiate any of his descriptions.

Furthermore, the District Court erroneously relied upon the "opinions" of Messrs. Janess, Ahlstrom and Lesher for determining that an unspecified manner of adding the entryway telephone dial of the Pacific Telephone system to the Entraguard or the Identifone was obvious in 1972-1973.

Firstly, the District Court had determined that each of these men was a person of ordinary skill in the art in the April 1973 time frame. Accordingly, their "opinion" testimony was inadmissible (Rule 701 of the Federal Rules Of Evidence). Furthermore, any such opinion based on the declaration or deposition testimony of Mr. Ruiz is inadmissible as being based on hearsay.

Secondly, all three were purportedly actively engaged in the designing of the Entraguard and Identifone units at that time, but none thought of adding the Pacific Telephone entryway telephone dial to the unit he was designing.

Mr. Ahlstrom stated that "we" had discussed adding a direct access feature to the Entraguard, but neither Mr. Margolis nor Mr. Janess who were involved with him in designing the Entraguard corroborated this statement.

Turning lastly to the three (3) License Agreements entered into by Mr. Trell, which the District Court rejected as not being persuasive, the Court stated that the Bewator license only applies to European patents. To the contrary, the Bewator Agreement specifically lists "U.S.A." patent No. 3,947,641 as being included within its terms (P.A. 27a).

With regard to the rejection of the Trigon and Doorking license agreements as being barred by Rule 408 of the Federal Rules of Evidence, this rule clearly does not apply to the terms for the settlement of patent litigation, as contained in a settlement agreement and/or license agreement.

With regard to the purported failure of Petitioner to establish a "nexus" between claim 9 of the patent and the Trigon and Doorking license agreements, both Mr. Gagnon and Mr. Richmond obviously recognized that they could manufacture and sell other types of telephone entry control systems, but each separately determined that it was economically advantageous for his respective company to be able to manufacture and sell a telephone entry control

system which embodied the subject matter of claim 9 of the '641 patent.

2. In District Court erred in granting summary judgment that claims 4 and 9 are invalid, because Respondents failed to carry their burden of showing that there is no genuine issue as to any material fact.

In *Adickes v. Kress & Co.*, 398 U.S. 144, 26 L.Ed.2d 142, 90 S.Ct. 1598 (1970), this Court stated as follows at 398 U.S. 157:

“As the moving party, respondent had the burden of showing the absence of a genuine issue as to any material fact, and for these purposes the material it lodged must be viewed in the light most favorable to the opposing party.”

The District Court also admitted in its “Memorandum Of Decision And Order” that Sentex, the moving party, bears the burden of demonstrating that no issues of material fact exists, and that the evidence must be viewed in a light most favorable to the non-moving party (P.A. 5a).

However, there were numerous genuine issues as to material facts in the present case, which the District Court erroneously decided adversely to Petitioner, including the following:

1. The actual construction features of the Pacific Telephone system prior to Petitioner's invention date of June 7, 1973, which system was described by Mr. Ruiz without any documentary evidence.
2. The actual construction features of the Entraguard and Identifone units prior to Petitioner's invention date of June 7, 1973, which Messrs. Janess and Lesher described by “tracking” claim 4.
3. Whether the Entraguard and Identifone units were actually used in combination with a public automatic telephone network as described in claim 4, prior to Petitioner's invention date of June 7, 1973, or were even capable of

being so used, i.e., whether there was an actual reduction to practice prior to that date.

In *Great Northern Corp. v. Davis Core & Pad Co., Inc.*, 782 F.2d 159, 185 (Fed.Cir. 1986), the court stated as follows regarding a reduction to practice:

"The District Court concluded, correctly we hold, that the invention was not reduced to practice until after February 28, 1977, and, therefore, the testing prior to that date did not constitute a § 102(b) bar.

"The '732 support was not reduced to practice until it was sufficiently tested to demonstrate that it would work for its intended purpose, . . .".

3. It was error for the District Court to adjudicate the validity of independent claim 4 as to which there was no actual controversy under 28 U.S.C. § 2201, for the purpose of facilitating its determination of invalidity of dependent claim 9.

In *Grain Processing Corp. v. American Maize-Products*, 840 F.2d 902, 905 (Fed.Cir. 1988), the court stated the established law as follows:

"There is no question that a case or controversy is a jurisdictional predicate for declaratory judgment under 28 U.S.C. § 2201. [cases] And 'an actual controversy must be extant at all stages of review, not merely at the time the complaint is filed.' *Preiser v. Newkirk*, 422 U.S. 395, 401, 95 S.Ct. 2330, 2334, 45 L.Ed.2d 272 (1975). The actual controversy requirement precludes a declaration about the validity of claims unless the defendant objectively has a 'reasonable apprehension that it will face an infringement suit' on those claims."

In the present case, the following facts clearly show that Respondents did not have a reasonable apprehension that they will face an infringement action on claim 4:

1. The infringement notice letter of March 7, 1989 to Respondent Sentex was specifically limited to claim 9.

2. Both the original Complaint and the First Amended Complaint were specifically limited to the alleged infringement of claim 9.

3. Plaintiff's Answer To Counterclaim denies there was an actual controversy as to any claim, other than claim 9.

Respondents desired that the issue of the validity of claim 4 be included so they could argue and the District Court could state that claim 9 merely adds a direct access feature to claim 4, instead of the District Court following the mandate of 35 U.S.C. § 103 and the well established rule of law that the subject matter of a dependent claim such as claim 9, must be viewed as a whole in determining the legal issue of non-obviousness, i.e., as including all of the limitations in both claim 4 and claim 9.

This maneuver was successful because the District Court erroneously stated as follows (A.P. 17a):

"However, after considering the evidence that has been presented, this court is of the opinion that a genuine issue of material fact does not remain for trial. Claim nine of the '641 patent is merely the combination of the Entraguard and the direct access feature of the Pacific Telephone system or the combination of the Identifone and the direct access feature of the Pacific Telephone system. Using the *Winslow* analogy, this court is convinced that an inventor with the ordinary skill in the art when confronted with the problem of trying to add a direct access feature to the Entraguard or the Identifone, would see the obviousness of combining the direct access feature of the Pacific Telephone system with the Entraguard or the Identifone."

As can be explained in a Brief On The Merits, the so-called *Winslow* analogy does not apply to the present case because there was no credible evidence that any of Ruiz, Margolis, Ahlstrom, Janess and Lesher had the concept prior to Petitioner's invention date of June 7, 1973, of a

telephone entry control system with discriminating means being used in combination with a public subscriber telephone network, and having a direct access feature which utilized the same selecting means and discriminating means.

Petitioner's patent expert Tinsley pointed this out in his Declaration (page 14, *supra*).

And, Respondent's attorney recognized the absence of this proof in the evidence, and accordingly, in "Order (Proposed) Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9", he changed the basis for the District Court's holding of invalidity of claim 9 to omit any reference to *In re Winslow*, 365 F.2d 1017, 1020 (CCPA 1966).

### CONCLUSION

This Petition should be granted, to deter a practice by which district courts dispose of troublesome patent cases by conducting a trial on declarations under the guise of deciding a motion for summary judgment, and by accepting as being true, all of the statements contained in declaration filed in support of the motion, and by rejecting as not being persuasive, all of the statements and evidence contained in declarations filed in opposition to the motion.

Respectfully submitted,

CHARLES E. WILLS  
*Counsel for Petitioner*



## INDEX OF PETITIONER'S APPENDIX

	<u>Page</u>
Memorandum of Decision and Order of the United States District Court for the Central District of California, Case No. CV 89-3355-DT .....	1a
Judgment of the United States District Court for the Central District of California, Case No. CV 89-3355-DT .....	21a
Judgment of the United States Court of Appeals for the Federal Circuit, No. 91-1068 .....	23a
Order of the United States Court of Appeals for the Federal Circuit Deny Petition for Rehearing, No. 91-1068 .....	24a
Exhibit 6 of Margolis Declaration .....	
Exhibit 1 to the License Of September 27, 1983 between Bewator and Anders Trell .....	



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

ANDERS E. TRELL,  
*Plaintiff and Counterdefendant,*

vs.

SENTEX SYSTEMS, INC., and  
WILLIAM R. DAVIS,  
*Defendants and counterclaimants.*

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CASE NO. CV 89-3355 DT

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MEMORANDUM OF DECISION AND ORDER

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Defendants' and counterclaimants', Sentex Systems, Inc.'s and William R. Davis's, Renewed Motion For Summary Judgment came on regularly for hearing before the undersigned on August 20, 1990.

Charles E. Wills, Esq., a member of Charles E. Wills Law Corporation, appeared on behalf of the plaintiff and counterdefendant, Anders E. Trell.

Robert A. Seldon, Esq., of the law firm of Ashen, Martin, Seldon, Lippman & Seillieri, appeared on behalf of the defendants and counterclaimants, Sentex Systems, Inc. and William R. Davis.

Written evidence was presented to the Court. Written and oral argument made on behalf of the respective parties was presented and considered by the Court. The Court, now feeling fully advised, rules and adjudges as follows:

Defendants' and counterclaimants, Sentex Systems, Inc.'s and William R. Davis's, Renewed Motions For Summary Judgment are granted. Claims 4 and 9 of United States Patent No. 3,947,641 are declared invalid by this Court under 35 U.S.C. §§ 102(a), 102(b) and 103.

*Background*

This case stems from a patent, United States Patent No. 3,947,641 ("'641 patent"), issued on March 30, 1976 to Plaintiff Anders Trell for an invention titled "Use of Public Subscriber Telephone Network; Method and Apparatus."

Trell's patent contains two claims at issue: claim four and claim nine. Claim four covers an invention which includes a telephone mounted outside a locked building. The telephone allows a visitor to contact and speak with someone within the building through standard public telephone lines. The person within the building then can depress a push-button on his telephone which sends a signal through the public telephone lines and causes the entrance door to be unlocked, thereby enabling the visitor to enter the building.

Claim nine embodies claim four and adds a direct access feature which allows the visitor to unlock the door by entering a programmed number into the telephone keypad.

The '641 patent describes claim four as follows:

In combination with a public automatic subscriber telephone network an apparatus having connecting means by which the apparatus can be connected to a door lock, comprising:

switching means by which said apparatus can be coupled onto a telephone line going out to the automatic exchanges of said telephone network;

selecting means for dialing telephone numbers to said telephone network;

discriminating means for securing that only certain telephone numbers out of all those of the whole said telephone network can be selected resulting in said telephone networks performing a call to one of said telephone networks subscriber telephone sets;

means for verbal communication with said subscriber telephone; and

means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock.

Claim nine states: "The combination of claim four, wherein said selecting means also addresses a common combination lock devise." Thus, claim nine ostensibly adds an apparatus which causes the door lock to open upon the receipt of a previously programmed sequence of numbers entered at the building's entrance.

Trell claims that Sentex Systems Inc. has infringed on claim nine of the '641 patent. On June 1, 1989, Trell filed a patent infringement suit against Sentex Systems Inc. and its president, William R. Davis (hereinafter collectively "Sentex"). A first amended complaint was filed on July 28, 1989.

On August 21, 1989, Sentex filed its answer to Trell's first amended complaint. Sentex also asserted a counterclaim for declaratory relief seeking to invalidate claims four and nine of Trell's patent.

On May 7, 1990, Sentex filed a motion for summary judgment invalidating claims four and nine of the '641 patent. This motion was denied without prejudice on June 28, 1990. Sentex renewed its motion for summary judgment on June 18, 1990. Trell filed an opposition on July 2, 1990, and Sentex filed its reply on July 9, 1990. In addition to the aforementioned motions, this court has entertained several motions concerning discovery disputes.

Pertinent to the present case is a previously litigated case concerning the '641 patent between Trell and Marlee Electronics Corp. styled *Trell v. Marlee Electronics Corp.*, No. 85 Civ. 7364-DT (1987) ("Marlee"). In *Marlee*, this court narrowly construed the '641 patent in holding (1) that the '641 patent was valid, and (2) that the Marlee *Entraguard* system did not infringe on the '641 patent. This court was reversed on appeal by the Federal Circuit, No. 88 Civ. 1099 (1989). Contrary to this court's holding, the

Federal Circuit broadly construed the '641 patent. Significantly, the issue of claim nine's validity was not raised on appeal before the Federal Circuit. Thus, this court now examines anew the validity of the '641 patent in light of the Federal Circuit's broad construction of the patent.

Defendants' (moving parties') contentions can be summarized as follows:

1. The presumption of invalidity may be overcome by new evidence.
2. The *Entraguard* and the *Identiphone* anticipate claim four of the '641 patent.
3. Combination of the *Entraguard* or the *Identiphone* with the Hedin patent, the Pacific Telephone system, or the General Telephone System renders claim nine obvious.

Plaintiff's opposition can be summarized as follows:

1. Claim four is not properly before the court.
2. The *Graham* test requires consideration of secondary considerations.
3. The licenses and the commercial success of the Trell invention indicate that claim nine is not obvious.
4. The combination suggested by the defendants in their claim that claim nine is invalid is an impermissible selective combination.
5. Neither Janess, Margolis, and Lesher are qualified patent experts.

The defendants' reply can be summarized as follows:

1. The proffered declarations fail to raise any genuine issues of material fact.
2. Plaintiff's evidence of commercial success is inadequate to show the presence of secondary considerations.

3. There is no selective combination.
4. Plaintiff's statement of genuine issues does not contain any genuine issues of material fact.

### *Discussion*

#### A. The Standard

As in other cases, summary judgment in a patent case is appropriate where, viewing the evidence in a light most favorable to the non-moving party, there are no genuine issues of fact and the moving party is entitled to judgment as a matter of law. *Hodosh v. Block Drug Co., Inc.*, 786 F.2d 1136, 1141 (Fed. Cir. 1986) (*Hodosh*). Sentex, the moving party, bears the burden of demonstrating that no issues of material facts exist. *Id.*

Because this current motion is brought by Sentex to invalidate an existing patent, Sentex also bears the burden of overcoming the presumption of a patent validity conferred by 35 U.S.C. § 282.<sup>1</sup> "This presumption may be rebutted only with clear and convincing evidence." *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1050 (Fed. Cir. 1988) (*Uniroyal*). If Sentex succeeds in establishing a prima facie case of invalidity, Trell must come forward with sufficient evidence to counter the challenge. *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1022 (Fed. Cir. 1985). In order to overcome summary judgment after a prima facie showing of invalidity, Trell "must show an evidentiary conflict on the record; mere conclusory statements are not sufficient." *Hodosh*, 786 F.2d at 1141.

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<sup>1</sup>35 U.S.C. § 282 states in pertinent part that "[a] patent shall be presumed valid. Each claim of a patent (whether in independent, dependant or multiple dependant form) shall be presumed valid independently of the validity of other claims; dependant or multiple dependant claims shall be presumed valid even though dependant on an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such validity."

Sentex argues that claim four of the '641 patent is invalid because it was anticipated by prior art under 35 U.S.C. § 102(a). In addition, Sentex seeks to invalidate claim nine of the '641 patent because the invention was obvious pursuant to 35 U.S.C. § 103.

### B. Claim Four

This court will first address the issue of the validity of claim four of the '641 patent.

#### 1. Scope and Content of Prior Art.

Trell's U.S. patent application was filed on June 3, 1974; however, Trell apparently filed a patent application in Sweden on June 7, 1973. Trell's invention date is deemed to be his Swedish filing date of June 7, 1973. *Yaskuto Kawai v. Metlesics*, 480 F.2d 880 (CCPA 1973). Thus, for the determination of obviousness, this court will consider entry control systems which were known or used in the United States before June 7, 1973, 35 U.S.C. § 102(a), systems which were in public use or on sale in the United States prior to June 3, 1973, 35 U.S.C. § 102(b), and systems described in United States patents issued on applications filed before June 7, 1973, 35 U.S.C. § 102(e).

Sentex cites five examples of prior art which purportedly made Trell's invention obvious: the Marlee *Entraguard*, the Lesher *Identiphone*, the Patent to Hedin, the Pacific Telephone Entry Control System, and the General Telephone System. This court finds that it need not discuss all of the systems presented by the defendants. This court will only be concerned with the *Entraguard* and *Identiphone* systems for the purpose of deciding the defendants' motion for summary judgment as to claim four of the '641 patent.

##### a. The Marlee *Entraguard*

The *Entraguard* was demonstrated at the "Apartment Builder/Developer Conference and Exposition" in Miami Florida on April 2-4, 1973. Decl. of Margolis, para. 7; Decl.

of Ahlstrom, para. 11. There is evidence that an order for an *Entraguard* unit was placed on May 15, 1973, and was shipped to a customer on June 1, 1973. Decl. of Margolis, para. 9. The *Entraguard* thus predates patent '641.

The *Entraguard* system employed a telephone to be placed at the entrance of a locked building from which a visitor could contact someone within the building through standard public phone lines. The person inside the building then could cause a door to unlock by depressing a button on the phone.

#### b. The Lesher *Identiphone* System

The defendants have presented uncontradicted evidence that the first devices known as the *Identiphone* were sold in 1972. Decl. of Lesher, para. 4. According to the declaration of James Lesher, the *Identiphone* was used outside locked buildings. A visitor to the building would dial into the *Identiphone* a three digit number corresponding to the occupant that he wished to visit. The device would retrieve from a magnetic tape recording device the telephone number of the occupant sought, and dialing through the public telephone system, cause the occupant's telephone to ring. The calls placed from the *Identiphone* were restricted to the telephone numbers stored in the magnetic recording device so that only telephones of tenants could be reached from the *Identiphone*. Decl. of Lesher, para. 4, 5.

Using the telephone handset of the *Identiphone*, the visitor identified himself to the occupant. If the tenant wished to admit the visitor, he used a hand-held tone generator near the mouthpiece of his telephone. The *Identiphone* would recognize the signal and cause the door to unlock. Decl. of Lesher, para. 4.

At the end of 1971, Lesher redesigned the *Identiphone* to use a digital memory for storing the telephone numbers of occupants. On December 27, 1972, Lesher caused a patent application on the redesigned *Identiphone* to be filed. Decl. of Lesher para. 8.

Finally, the plaintiffs have presented evidence that at least some of the *Identiphones* sold in 1972 had "Postman's Locks," mechanical locks owned and installed by the U.S. Postal Service. The postman carries a key which fits the lock, and he uses the key to bypass security systems and open entrance doors for mail delivery. In the *Identiphone*, a microswitch was positioned to contact the mechanical bolt of the postman's lock. When the postman turned his key in the lock, the microswitch responded to the bolt's movement by activating circuitry which energized the door strike of the door.

## 2. Anticipation.

35 U.S.C. § 102(a), provides, in pertinent part:

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, . . ."

35 U.S.C. § 102(a). "[I]n order to have anticipation, all of the elements of the patented device or their equivalents must be found in a single prior device." *Amphenol Corporation v. General Time Corporation*, 397 F.2d 431 (7th Cir. 1968)

### a. The *Entraguard*

The defendants have presented the Declaration of Don Janess, the person who developed the *Entraguard* device used at the Florida tradeshow in which he describes the *Entraguard*, as demonstrated at the Florida tradeshow in 1973. In his declaration, Janess states that the *Entraguard* device used at the trade show "[w]orked in combination with [a] public subscriber network, and included terminals for electrically connecting to a door lock; included [a] switching circuit responsive to entry of a valid tenant code to seize [the] line to [the] automatic exchange of the network; included [a] keypad for entering a code number

which accessed memory and a circuit for dialing corresponding telephone numbers to the network; included [a] memory and access circuit which insured that only telephone numbers pre-programmed into [the] memory could be selected, resulting in the call being performed to one of the network subscriber sets; i.e. the tenant's phone; included a telephone handset for verbal communication between [the] Entraguard and [the] tenant's telephone; [and] included a circuit responsive to the tone or pulses from the tenant's telephone to release the door lock." Decl. of Janess, para 7. This description exactly tracks claim four of the '641 patent.

Moreover, the plaintiff himself admits that there are no differences between the *Entraguard* and the system defined in claim four of the '641 patent. Trell Depo. Vol. I pg. 149.

In his opposition, the plaintiff argues that Janess has not been qualified as a patent expert. However, this court is not relying on the Janess declaration insofar as it may express an expert opinion. This court is concerned with the facts stated in that declaration. Therefore, Janess's qualifications as an expert are irrelevant.

The plaintiff also attacks the *Entraguard* evidence by stating that the shipment of the device to Florida does not show that the device utilized the public subscriber network. This contention is without merit. Through the declaration of John Ahlstrom, defendants have proffered evidence that the device was connected to the Miami public telephone system. Plaintiff's mere bald assertions to the contrary are not sufficient to challenge this declaration. *Harper v. Wallingford*, 877 F.2d 728 (9th Cir. 1989).

Finally, the plaintiff attacks the *Entraguard* evidence on the grounds that the device would dial the same phone number no matter what code was entered. See Decl. of Tinsley para, 23. The plaintiff argues that the device used at the Miami tradeshow was no different than having a dedicated line. However, this argument is irrelevant. The important point is that the device required the use of the code to

activate the mechanism which would then use the public phone network to call the receiving phone. The plaintiff has presented no evidence that contradicts any of the facts presented in the declarations of Janess or Ahlstrom.

The defendants have put forth evidence that a device embodying each and every element of claim four of the '641 patent was in use prior to the Trell invention date. The plaintiff has not presented any evidence that would show that a material issue of fact is present as to any of the elements of claim four. Indeed, the defendants have presented the deposition testimony of the plaintiff in which he admits that each and every element of the invention described in claim four is found in the *Entraguard*. Therefore, the defendants' motion for summary judgment is granted as to the invalidity of claim four of the '641 patent.

b. *The Identiphone*

As an alternative route to invalidating the '641 patent, the defendants present evidence of the device known as the *Identiphone*. The defendants rely on the incarnation of the *Identiphone* which was developed by James Lesher early in 1972. That device was first installed in an apartment building in April, 1972.

In his declaration, Lesher describes the *Identiphone* as one that "worked in combination with [a] public subscriber network, and included terminals for electrically connecting to a door lock; included [a] switching circuit responsive to entry of valid tenant code to seize line to automatic exchange of [the] network; included dial for dialing telephone numbers to the network; included a memory and access circuit which insured that only telephone numbers pre-programmed into [the] memory could be selected, resulting in the call being performed to one of the telephone subscriber sets; i.e. the tenant's phone; included a telephone handset for verbal communication between [the] *Identiphone* and [the] tenant's telephone to release the door lock." Decl. of Lesher, para. 12.

The court has also reviewed the Lesher patent, Patent No. 3,917,911, excluding those elements that were the product of the 1974 continuation-in-part application, and finds the description as provided by James Lesher is consistent with U.S. Patent No. 3,917,911. In addition, the description provided by Lesher exactly tracks the elements in claim four of the '641 patent.

In his opposition, the plaintiff attacks the declaration of Lesher on the grounds that Lesher has not been qualified as a patent expert. However, this court is not relying on the Lesher declaration for expert opinions. The court is only concerned with his description of the device he developed. Therefore, whether Lesher is qualified as a patent expert is irrelevant.

The plaintiff also attacks the proposition that the *Identiphone* anticipates claim four of the '641 patent because the *Identiphone* employs a handheld tone generator to activate the mechanism releasing the door lock rather than using signals generated by the telephone unit itself; thus, according to plaintiff, the *Identiphone* did not anticipate claim four of the '641 patent because the signal causing the release of the door lock was not a result of the tenant "actuat[ing] his or her telephone to induce signals for releasing the door."

The pertinent language of claim four states that the invention uses "means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock." (emphasis added). Claim four of the '641 patent does not require that the signals releasing the door lock must be generated by the subscriber telephone; the patent only requires the signal to come from the subscriber telephone. Therefore, the hand held tone generator appears to fall within the parameters of claim four of the '641 patent.

Plaintiff argues that whether the tone generator does fall within the terms of claim four is a question of fact for trial. Insofar as the plaintiff is claiming that there is a question as to the meaning of the pertinent patent language, the plaintiff's argument is not well founded. Interpretation of a

patent claim is a matter of law. *Rayethon Co. v. Roper Corp.*, 724 F.2d 951, 956 (Fed. Cir. 1983). Because this court has before it both the Trell patent and the *Identiphone* patent and "the scope and content of those patents [is] easily discernible, no testimony, expert or otherwise, regarding their scope and content is necessary." *Chore-Time Equipment v. Cumberland*, 713 F.2d 774, 779 (Fed. Cir. 1983)

The defendants have presented evidence that each and every element of claim four of the '641 patent is contained in the *Identiphone*. The defendants have also presented evidence that the *Identiphone* was being sold in the United States in 1972. The plaintiffs have not presented any evidence that contradicts the evidence presented by the defendants. The plaintiff has failed to present any evidence or point to any facts which would indicate that a material issue of fact remains for trial. Therefore, the defendant's motion for summary judgment as to the invalidity of claim four of the '641 patent is also granted on the grounds that claim four was anticipated by the *Identiphone*.

### C. Claim Nine

The defendants seek to invalidate claim nine of the '641 patent as obvious pursuant to 35 U.S.C. § 103. 35 U.S.C. § 103 provides, in pertinent part:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

35 U.S.C. § 103 (Supp. 1990).

"Obviousness under 35 U.S.C. § 103 is a legal conclusion involving a preliminary determination of four factual inquiries: (1) the scope and content of prior art; (2) the

differences between the claims and prior art; (3) the level of skill in the pertinent art; (4) secondary considerations, if any, of nonobviousness. Secondary considerations include objective indicia of nonobviousness such as commercial success, long-felt but unsolved need, and failure of others." *Uniroyal*, 837 F.2d at 1050, citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

### 1. The Scope and Content of Prior Art

In attacking the validity of claim nine of the '641 patent, the defendants cite five examples of prior art which purportedly made Trell's invention obvious: the Marlee *Entraguard*, the Lesher *Identiphone*, the Patent to Hedin, the Pacific Telephone Entry Control System, and the General Telephone System. This court finds that it need not discuss all of the systems presented by the defendants. The court is only concerned with the *Entraguard*, the *Identiphone*, and the Pacific Telephone Entry Control System.

This court has previously discussed the *Entraguard* and *Identiphone* systems. As noted above, both systems anticipate claim four of the '641 patent. The court will now turn to the Pacific Telephone System.

#### a. The Pacific Telephone System

According to the Declaration of Hector Ruiz, Pacific Telephone used an entry control system in its facilities in 1969. Decl. of Hector Ruiz, para 9. The entry control system in question included a standard telephone instrument on the wall at the entrance. Ruiz was provided with a numerical code which he would dial into the entrance telephone via its rotary dial, thereby gaining access to the building. When Ruiz dialed the code into the telephone, the door unlocked directly, permitting him to enter the building directly. Decl. of Ruiz, para. 4.

In his declaration, Ruiz also described another feature of the Pacific Telephone system. According to Ruiz, a set of instructions were posted near the entrance telephone which

advised non-employees who wished to gain entrance to the building to dial a code that was different than Ruiz's direct access code. Upon dialing that code, the visitor was connected to the telephone of an employee within the building. The employee, whose telephone rang in response to the visitor's entry of the code, would answer his or her telephone, establish voice contact with the visitor, and determine the purpose of the visitor's desired admission. If the employee determined that the visitor should be admitted, the employee unlocked the entrance door for the visitor by dialing a certain number on his or her telephone. Ruiz states that he personally operated the system on numerous occasions.

The components of the Pacific Telephone system are described in Hector Ruiz's deposition and declaration. The employee telephones which were selected to receive calls from the entrance, the entrance telephone instrument, and the entrance door latch were connected to a local switching device known as a Key Service Unit (K.S.U.). Decl. of Ruiz, para. 8; Depo. of Ruiz, pg. 27.

In order to limit the number of employee telephones that were callable from the entrance unit, the K.S.U. included a circuit card that would interface between the entrance telephones and the employee telephones that were callable. Depo. of Ruiz pg. 32. The card also connected the callable employees phones with the door strike. Depo. of Ruiz pg. 32; Decl. of Ruiz, para 9.

When an employee's telephone was dialed by the entrance instrument, the instruments were coupled through the K.S.U., thus enabling the employee and the visitor to establish voice contact. If the visitor's entrance was desired, the employee dialed a number on his telephone which would activate the door strike. Decl. of Ruiz para. 9.

Finally, Ruiz states that the Pacific Telephone system was in operation in "dozens of Pacific Telephone facilities in the Los Angeles area alone prior to January 1973. In addition, [Ruiz] personally arranged for the installation of

... such systems for Pacific Telephone customers prior to January 1973. Those customers included the Los Angeles Board of Education, . . . Sam & Walter's Camera Repair . . . , Greyhound Bus Company, LAX, and a number of airlines." Decl. of Ruiz, para 6.

## 2. The Difference Between Claim Nine and the Prior Art.

Claim nine of the '641 patent is described in the patent as "[t]he combination of Claim four, wherein said selecting means also addresses a common combination lock device. As interpreted by the Federal Circuit in *Trell v. Marlee Electronics Corp.*, 10 U.S.P.Q. 2d 1790 (1989) (unpublished), claims four and nine of the '641 patent "require only an apparatus that *can be connected* to a door lock and means for *releasing or addressing* a door lock . . . Claim 9 depends from claim 4 and, thus incorporates all of the limitations of claim 4. The latter requires a selecting means for dialing telephone numbers to a telephone network . . . However, nothing in [claim nine] requires that the public telephone network must be used in addressing a common combination lock device." *Id.*, 10 U.S.P.Q. 2d at 1791.

As this court has already discussed, the *Entraguard* and the *Identiphone* embody each and every element of claim four. The *Entraguard* and the *Identiphone* do not, however, have the direct access feature described in claim nine.

With regard to the Pacific Telephone System, that system does not embody claim four in that it does not use the public subscriber telephone network. However, the same "selecting means" is used to dial both the employees' telephones and activate the mechanism "releasing or addressing" the door lock. In other words, the Pacific Telephone system embodied all of the elements that claim nine added to claim four. This court specifically notes that, under the Federal Circuit opinion in *Marlee*, the use of the public subscriber network is not required by claim nine.

### 3. The Level of Skill in the Pertinent Art.

"In determining whether a case of *prima facie* obviousness exists, it is necessary to ascertain whether the prior art teachings would appear to be sufficient to one of ordinary skill in the art to suggest making the claimed substitution or other modifications." *In re Lalu*, 747 F.2d 703, 705 (Fed. Cir. 1984).

In the present case, the defendants, in their moving papers argue that this court should apply the same level of ordinary skill that this court employed in the *Marlee* litigation. In *Marlee*, this court held that a person of ordinary skill in the art in 1973-74 would have a bachelor's degree in electrical engineering, or its equivalent, plus two to five years of practical design experience. The plaintiff has not argued that a different standard should be used. Therefore, this court will employ the same standard that it employed in the *Marlee* litigation.

### 4. Secondary Considerations

The plaintiff presents a number of items which he argues favor a finding of validity. First, the plaintiff presents the letter of the defendant Davis in which he offers to settle the case. Second, Trell presents the licensing agreements between Trell and Bewator Svensk Teleproduktion AB, between Trell and Trigon Electronics, Inc., and between Trell and Doorkey, Inc. The plaintiff also claims that his product has outstanding commercial success.

### 5. Application of the Summary Judgment Standard

"The starting place for determining the issue of obviousness is, as in *In re Winslow* [citation omitted] with 'the inventor working in his shop with the prior art references — which he is presumed to know — hanging on the walls around him'." In addition, the court must also consider secondary considerations. *Union Carbide Corp. v. American Can Co.*, 724 F.2d 1567, 1576 (1984). Of course, "the prior art on the wall consists only of those patents one of ordinary skill in the art would have selected without the

advantage of hindsight or knowledge of the invention. *Id.* This court is mindful of the requirement that hindsight must *not* be used. "Something in the prior art must suggest the desirability, and thus the obviousness, of making the combination." *Uniroyal v. Rudkin-Wiley*, 837 F.2d 1044, 1051 (Fed. Cir. 1988).

However, after considering the evidence that has been presented, this court is of the opinion that a genuine issue of material fact does not remain for trial. Claim nine of the '641 patent is merely the combination of the *Entraguard* and the direct access feature of the Pacific Telephone system or the combination of the *Identiphone* and the direct access feature of the Pacific Telephone system. Using the *Winslow* analogy, this court is convinced that an inventor with the ordinary skill in the art when confronted with the problem of trying to add a direct access feature to the *Entraguard* or the *Identiphone*, would see the obviousness of combining the direct access feature of the Pacific Telephone system with the *Entraguard* or the *Identiphone*. This is especially true in light of the similarity of the Pacific Telephone system to the *Entraguard* and the *Identiphone*.

The plaintiff attempts to show that the combination discussed above is not obvious through the declarations of Edwin Heinlein and Walton Tinsley. In his declaration Heinlein, declares that the aforementioned combination was not obvious to him. The court does not find Heinlein's declaration persuasive. In reviewing his credentials, the only experience set forth is that he is a mathematician and has experience in computer programming and computer security and that he personally used telephone entry control systems in apartment buildings. This court does not find that Heinlein has the requisite ordinary skill in the art. He has put forth no statement of experience in the design of electrical and electrical-mechanical security systems of the type at issue in the present action.

With regard to the declaration of Tinsley, this court does not find his declaration persuasive. Tinsley makes a blanket

statement that the systems presented by the defendants do not render claim nine of the '641 patent obvious. The only evidence presented in the Tinsley declaration bearing on the combination of the *Entraguard* or the *Identiphone* with the Pacific Telephone system is the simple statement that it would not be obvious to one skilled in the art to add a direct access feature to the *Entraguard* or the *Identiphone*. Tinsley does not make any effort to discuss why the possible combination of the *Entraguard* or the *Identiphone* with the Pacific Telephone system was not obvious. Indeed, Tinsley fails to even discuss the combination of those various systems. Tinsley only discusses the various systems presented by the defendants in isolation. The Tinsley declaration therefore fails to point to specific facts which would indicate that a material issue of fact remains for trial because it never addresses the specific combinations of systems put forth by the defendants.

On the other hand, the defendants have presented the declarations of Janess, Ahlstrom, and Lesher that the addition of the Pacific Telephone system's use of the entry-way telephone dial for the entry of both the telephone codes and entrance codes to either the *Entraguard* or the *Identiphone* was obvious in 1972-73. Decl. of Ahlstrom para. 14-16, Decl. of Janess, para. 10-11, Decl. of Lesher, para. 17-18. The plaintiff has not presented any evidence that would contradict these statements. The plaintiff merely attempts to call these statements into question by stating that no one ever actually discussed the modification or thought of the modification. However, the fact that the modification was not thought of or discussed by the declarants is not dispositive. The test is the objective obviousness of the invention. Moreover, the plaintiffs have presented the declaration of Ahlstrom which states that he actually considered a direct access but dismissed it because of the security hazard.<sup>2</sup> Decl. of Ahlstrom, paras. 6, 7, 14.

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<sup>2</sup>Tinsley attempts to buttress the argument in his declaration with the assertion that none of the persons working on the *Entraguard*

The plaintiffs also argue that the combination of the *Entraguard* or the *Identiphone* with the Pacific Telephone system would be an impermissible combination, citing the case of *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1050 (Fed Cir. 1988). However, in *Uniroyal*, the court reversed the trial court's finding of obviousness on the basis that the trial court combined two inventions which employed antithetical properties to render the invention in question obvious. In the present case, the *Entraguard* and the *Identiphone* on one hand and the Pacific Telephone system on the other hand are not antithetical. The court does not find that the combination of the *Entraguard* or the *Identiphone* with the Pacific Telephone system is an impermissible selective combination.

Finally, the plaintiff argues that secondary considerations preclude the granting of summary judgment. A nexus between the merits of the claimed invention and the evidence of secondary considerations is required in order for the evidence to be given substantial significance in an obviousness decision. *Cable Elec. Products, Inc. v. Genmark*, 770 F.2d 1015, 1026 (Fed. Cir. 1985).

In this case, the plaintiff argues that the commercial success of his product shows that the claim nine is not obvious. The plaintiff has put forth no proof of the commercial success of the Trell device. In addition, even if the Trell device is commercially successful, there is no proof that the success is due to the component embodying claim nine. Thus, the plaintiff has failed to show the requisite nexus.

The plaintiff also produces evidence of a license between Trell and Bewator Svensk Teleproduktion. However, that license only applies to European patents. The validity of

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conceived of the combination of a direct access feature and the *Entraguard*. However, this statement overlooks the declaration of Ahlstrom in which he states that he actually considered a direct access feature but dismissed it because of the security hazard. Decl. of Ahlstrom, paras. 6, 7, 14.

any patents in Europe is not affected by a finding of invalidity in the United States as patents are governed by the laws of their respective countries. Again, Trell has not shown the required nexus.

The last two licenses that Trell produces are the Door King and the Trigon licenses. The court does not find these licenses persuasive. First, the evidence is barred by Federal Rule of Civil Procedure 408 since they are the products of settlements. Moreover, even if this court were to admit the evidence, as shown by the deposition presented by the defendants, the Door King license was motivated by the desire to settle litigation. See Depo. of Richmond pp. 58-60. In addition, the Trigon license was based on the erroneous belief that the federal circuit opinion in *Marlee* upheld the validity of claim nine. Depo. of Gagnon, pg. 37. The plaintiff has presented no evidence that would contradict this and has consequently failed to establish the requisite nexus.

For the aforementioned reasons, the defendants' motion for summary judgment is granted as to the invalidity of claim nine of the '641 patent.

IT IS SO ORDERED.

Dated: August 20, 1990

DICKRAN TEVRIZIAN  
DICKRAN TEVRIZIAN  
United States District Judge

I hereby certify that this document was served by hand, to all counsel (or parties) in this action on this date.

Dated: August 20, 1990

MINNA NEUMAIER  
Deputy Clerk

Robert A. Seldon  
John Scillieri  
**ASHEN MARTIN SELDON LIPPMAN & SCILLIERI**  
10920 Wilshire Boulevard, Suite 1000  
Los Angeles, California 90024  
(213) 208-1100

**Attorney for Defendants**

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

---

**ANDERS E. TRELL,**  
*Plaintiff and Counterdefendant,*  
**vs.**

**SENTEX SYSTEMS, INC., et al.,**  
*Defendants and Counterclaimants.*

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**CIVIL ACTION NO. 89-3355-DT (Kx)**

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**JUDGMENT**

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This action came on for hearing before the Court, Honorable Dickran Tevrizian, District Judge presiding, and the issues having been duly heard and a decision having been duly rendered:

**It is Ordered and Adjudged:**

**On Plaintiff's claim:**

That Claim 9 of U.S. Patent 3,947,641 is invalid under Section 103, Title 35 of the United States Code, and that Plaintiff Anders E. Trell recover nothing from the Defendants Sentex Systems, Inc. and Williams R. Davis;

**On Defendants' counterclaims:**

That Claim 4 of U.S. Patent 3,947,641 is invalid under Title 35, United States Code, Sections 102(a) and/or (b);

That Claim 9 of U.S. Patent 3,947,641 is invalid under Title 35, United States Code, Section 103;

That Defendants' counterclaims directed to Claims 1-3, 5-8, and 10-13 are dismissed without prejudice as moot; and

That Defendants Sentex Systems, Inc. and William R. Davis recover from Plaintiff Anders E. Trell their costs of action.

Dated at Los Angeles, California, this 5th day of October, 1990.

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**DICKRAN TEVRIZIAN**

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Honorable Dickran Tevrizian  
U.S. District Court Judge

Presented by:

Ashen Martin Seldon Lippman &  
Scillieri

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**ROBERT A. SELDON**

---

Robert A. Seldon  
Attorneys for Defendants

UNITED STATES DISTRICT COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

91-1068

ANDERS E. TRELL,  
*Plaintiff-Appellant,*

vs.

SENTEX SYSTEMS, INC. and WILLIAM R. DAVIS,  
*Defendants-Appellees.*

---

JUDGMENT

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ON APPEAL from the United States District Court for  
the Central District of California in Case No(s). 89-3355.

This CAUSE having been considered, it is ORDERED  
and ADJUDGED:

PER CURIAM (ARCHER, *Circuit Judge*, COWEN, *Senior  
Circuit Judge*, and MAYER, *Circuit Judge*):

*AFFIRMED.* Fed. Cir. R. 36.

ENTERED BY ORDER  
OF THE COURT

Dated: June 7, 1991

---

FRANCIS X. GINDHART  
Francis X. Gindhart, Clerk

---

Note: Pursuant to Fed. Cir. R. 47.8, this disposition is  
not citable as precedent. It is a public record. The disposi-  
tion will appear in tables published periodically.

UNITED STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT

91-1068

ANDERS E. TRELL,  
*Plaintiff-Appellant,*

VS.

SENTEX SYSTEMS, INC., and  
WILLIAM R. DAVIS,  
*Defendants-Appellees.*

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O R D E R

---

**O R D E R**

Before ARCHER, Circuit Judge, COWEN, Senior Circuit Judge, and MAYER, Circuit Judge.

A petition for rehearing having been filed in this case, UPON CONSIDERATION THEREOF, it is ORDERED that the petition for rehearing be, and the same hereby, is denied.

The mandate will issue on July 16, 1991.

FOR THE COURT,

FRANCIS X. GINDHART

Francis X. Gindhart

Clerk

Dated: July 9, 1991

cc: CHARLES E. WILLS  
ROBERT A. SELDON

TRELL V SENTEX SYS INC, 91-1068  
(DCT — 89-3355)

Note: Pursuant to Fed. Cir. R. 47.8, this order is not citable as precedent. It is a public record.

**MARLEE ELECTRONICS CORPORATION**  
 400 South Beverly Drive, Beverly Hills, California 90212  
 (213) 553-0515

1018

INVOICE NO.

DATE June 5, 1973

STICKER ORDER NO.	DATE	OUR ORDER NO.	REP.	SHIPPED VIA	DATE	ITEMS
GROS STAR	5/16/73	101	Stable	W/C	6/1/73	1x 10. Net 30
						SHIPPED F.O.B. FACTORY TO:

BILL TO

L & L SECURITY PRODUCTS  
 928 WEST ANGELENO AVENUE  
 BURBANK, CALIFORNIA 91506

SAME

QUAN.	B.O.	SHIPPED	MODEL NO OR DESCRIPTION	UNIT PRICE	EXTENSION
3	2	1	1000--SS	\$1.120 00	\$1.120 00

AMOUNT: \$11.20 BY PAYING THIS INVOICE BEFORE 6/15/73  
 TOTAL AMOUNT **\$11.20**

**BEST AVA**

Exhibit 1

to the License Agreement of September 27, 1983 between  
Bewator and Anders Trell

Patents granted and applied for:

Sweden	granted	March 2, 1975	No. 373474
U.S.A.	"	March 30, 1976	No. 3947641
Canada	"	November 2, 1976	No. 999389
England	"	May 25, 1977	No. 1474737
West Ger-			
many	"	1982	No. 7429959-2 <sup>426,709</sup>
France	"	1983	No. 7429959
Japan	patent applied for		No. 64 156/74

Alarm control

Swedish patent application No. 8201162-8 was submitted on February 24, 1982 and PCT application was submitted in August 1983.

Patent attorney: Swedpatent Stockholm  
Tel. 08-32 61 41

" STU  
Engineer Timi Fagerholm  
Tel. 08-744 51 00

Estimated patent expenses

Entry phone      Annual fees in Sw. Kr.

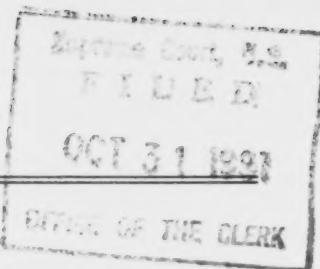
Country	1983	1984	1985	1986	1987
Sweden	1,510	1,510	1,810	1,810	2,210
England	Paid	2,050	2,300	2,500	2,700
West Germany	2,460	3,060	3,885	4,600	5,350
France	Paid	1,250	1,380	1,610	1,650

Alarm control

No expenses in 1983, but in 1984 there will be a printing cost of approximately 1,140 Sw. Kr. On January 1, 1985 there will be expenses of Sw. Kr. 8,000–12,000 per country for completion of the PCT application.

(2)

No. 91-588



In The  
**Supreme Court of the United States**  
October Term, 1991

ANDERS E. TRELL,

*Petitioner,*

v.

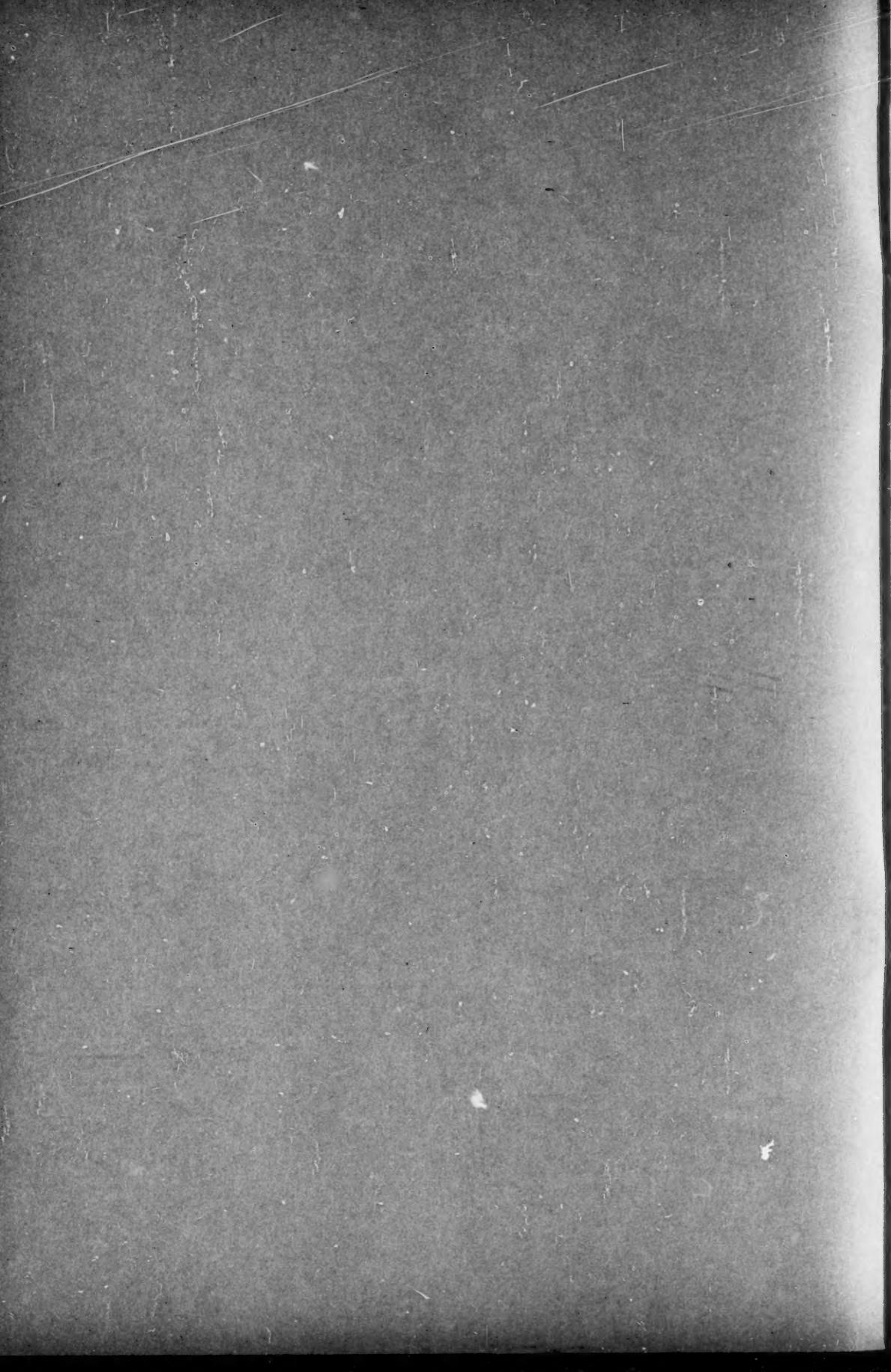
SENTEX SYSTEMS, INC., and WILLIAM R. DAVIS,  
*Respondents.*

**Petition For A Writ Of Certiorari To The United States  
Court Of Appeals For The Federal Circuit**

**RESPONDENTS' BRIEF IN OPPOSITION**

ROBERT A. SELDON, a member of  
ASHEN MARTIN SELDON LIPPMAN &  
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*Counsel for Respondents*



## QUESTIONS PRESENTED FOR REVIEW

The United States Court of Appeals for the Federal Circuit, in a unanimous *per curium* decision, affirmed the awarding of summary judgment of patent claim invalidity by the United States District Court for the Central District of California.

The questions presented for review by Petitioner contain incorrect factual predicates. The questions are more accurately phrased as follows:

1. Whether Petitioner raised any genuine issues of material fact preventing an award of Summary Judgment by the District Court.
2. Whether Respondents carried their burden of showing there is no genuine issue of material fact.
3. Whether, when invalidating patent Claim 9 (which expressly incorporated each and every limitation of patent Claim 4, and added a single claim element to Claim 4), it was improper for the District Court to grant summary judgment of invalidity of Claim 4.

## TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES .....	iii
STATUTES INVOLVED .....	1
PATENT CLAIMS AT ISSUE .....	2
STATEMENT OF CASE .....	2
1. Introduction .....	2
2. Pertinent Facts.....	3
REASONS FOR DENYING WRIT .....	6
1. Petitioner Has Failed to Base His Petition On the District Court's Findings of Fact and Con- clusions of Law as Required and Failed to Object to Any Perceived Inadequacies In the Findings of Fact and Conclusions of Law Before They Were Adopted By the District Court....	6
2. Petitioner Failed to Raise Before the Federal Circuit the Issue of Whether Respondents Failed to Carry Their Burden of Proof Showing That There is No Genuine Issue of Any Mate- rial Fact .....	7
3. The District Court Did Not Conduct a Trial By Declaration .....	8
4. It Was Not Error For the District Court to Adju- dicate Claim 4 Invalid .....	16
CONCLUSION .....	18
APPENDIX .....	1a

## TABLE OF AUTHORITIES

	Page
<b>CITATIONS:</b>	
<i>Anderson v. City of Bessemer City, N.C.</i> 470 U.S. 564 (1985) .....	7
<i>Anderson v. Liberty Lobby, Inc.</i> 477 U.S. 242, 91 L.Ed.2d 202, 106 S.Ct. 2505 (1986) .....	13, 16
<i>Cellotex Corp. v. Catrett</i> , 477 U.S. 317, 91 L.Ed.2d 265 (1986) .....	9
<i>Colorado v. New Mexico</i> , 467 U.S. 310 (1984) .....	16
<i>Purer &amp; Co. v. Akliebologet Addo</i> , 410 F.2d 871, (9th Cir. 1969) cert. denied, 396 U.S. 834, 90 S.Ct. 90, 24 L.Ed.2d 84 (1969). ....	7
<i>Yaskuko Kawai v. Metlesics</i> 480 F.2d 880 (CCPA 1970) .....	3
<b>FEDERAL RULES:</b>	
Rule 56(c), Federal Rules of Civil Procedure.....	9
Rule 103, Federal Rules of Evidence .....	7
<b>RULES OF COURT:</b>	
Rule 14(k)(i) Supreme Court Rule .....	6



## **STATUTES INVOLVED**

### **35 U.S.C. 102**

A person is entitled to a patent unless:

- (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country before the invention thereof by the applicant for patent, or
- (b) the invention was . . . in public use or on sale in this country more than one year prior to the date of application for patent in the United States . . . , or
- (e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant. . . .

### **35 U.S.C. 103 Conditions for Patentability; Non-Obvious Subject Matter**

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made. . . .

## THE PATENT CLAIMS AT ISSUE

4. In combination with a public automatic subscriber telephone network an apparatus having connecting means by which the apparatus can be connected to a door lock, comprising:

switching means by which said apparatus can be coupled onto a telephone line going out to the automatic exchanges of said telephone network;

selecting means for dialing telephone numbers to said telephone network;

discriminating means for securing that only certain telephone numbers out of all those of the whole said telephone network can be selected resulting in said telephone networks performing a call to one of said telephone networks subscriber telephone sets;

means for verbal communication with said subscriber telephone; and

means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock.

9. The combination of Claim 4, wherein said selecting means also addresses a common combination lock device.

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## STATEMENT OF THE CASE

### 1. Introduction

This is a suit for infringement of Petitioner's U.S. Patent 3,947,641. Petitioner filed his application for patent

in the United States Patent and Trademark Office on June 3, 1974, claiming that the benefit of his Swedish filing date of June 7, 1973. The Swedish filing date is deemed to be Petitioner's invention date *Yaskuko Kawai v. Metlesics* 480 F.2d 880. (CCPA 1970).

In his suit filed June 1, 1989, Petitioner contended that Respondent infringed claim 9 (and implicitly claim 4) of the '641 patent. On August 20, 1990, the District Court awarded summary judgment to Respondents, finding that claims 4 and 9 of the '641 patent were invalid. The Court determined that the system recited by claim 4 of the patent was known, on sale, and in public use in the United States prior to Petitioner's claimed invention date. Specifically, the Marlee *Entraguard* System and the Dial-a-larm *Identifone* System all pre-dated Petitioner's claimed invention date, and had each and every component recited by Claim 4.

The District Court further determined that Claim 9 of the '641 patent was invalid in that it simply recited an obvious combination of a "direct entry" feature from a pre-existing third telephone entry control system (Pacific Telephone System) with a system such as the *Entraguard* and or *Identifone* System.

The Federal Circuit affirmed the award of summary judgment *per curiam*. Petitioner sought re-hearing, which was denied.

Now, Petitioner seeks a Writ of Certiorari. Review is unwarranted, and the Petition should be denied.

## **2. The Pertinent Facts**

The District Court's findings of fact and conclusions of law provide a description of the system described by

the '641 Patent in suit. (R.A. 2a-3a ¶46.) These findings are incorporated herein by reference.

Briefly, the system described by the '641 includes an entrance telephone unit at the locked entrance of a building. A visitor picks up the handset of the entrance unit and dials the number of the person (s)he wishes to visit, after which the connection to the tenant's telephone is completed over the public telephone network. After the tenant answers his telephone, the visitor establishes voice contact with the handset; if the tenant wishes to admit the visitor to the building, the tenant dials or depresses a push-button on his telephone, e.g. the digit "9".<sup>1</sup>

The signal from the tenant's telephone travels to the entrance unit via the wires in the public telephone network and is recognized by the entrance unit as an instruction to unlock the door. The door is then caused to be unlocked and the visitor may enter the building. The feature thus described is referred to as "telephone entry."

Because a visitor could, if nothing more, dial any telephone number in the public telephone system from the entrance unit, the '641 patent also provides a "number discriminator" at the output of the "number selector." The number selector is defined in the patent as "conventional dialing of means." The "number discriminator" restricts the use of the entrance set to relevant

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<sup>1</sup> Claim 4 of the patent does not require a dialing of the number on the tenant's keypad or dial to admit a visitor. Claim 4 merely requires that the entrance unit include "means responsive to signals induced from said subscriber [i.e., tenant] telephone for thereupon releasing said door-lock."

telephone numbers only; i.e., the telephone numbers of tenants within the building.

The output from the "number discriminator" is therefore a telephone number dialed at the entrance on the "number selector," which telephone has been found by the "number discriminator" to be acceptable to pass on to the public telephone network.

Claim 4 of the '641 patent was directed to the foregoing "telephone entry" feature of Petitioner's system. Respondents' *uncontroverted* evidence is that the prior art *Identifone* and *Entraguard* systems included each and every element recited by Claim 4.

Claim 9 of the '641 patent is directed to a "direct access" feature. The direct access feature permits a person to dial an access code into the entrance unit which directly unlocks the door, without contacting anyone in the building. The direct access feature need not employ the telephone network; i.e., the entrance unit can send a signal directly to the door latch.

Claim 9 incorporates each and every element of Claim 4, and adds a single element; namely, that the "selecting means" (i.e. the dial or push-button keypad) also addresses a common combination lock device.<sup>2</sup>

In this action, Respondents introduced *uncontroverted* evidence that the prior art Pacific Telephone Entry Control System used its "selecting means" for telephone entry and to address a combination lock device (as per

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<sup>2</sup> The term "common combination lock device" is undefined by the patent.

Claim 9). Although this system used an internal switching network within the building, rather than the public telephone network to connect the visitor with the occupant during telephone entry, its combination of telephone entry and direct access blatantly suggested that the same combination be made with the telephone entry feature of *Entraguard* and *Identifone* systems. The District Court found that the Pacific Telephone system suggested Petitioner's claimed combination to one of ordinary skill in the art who had knowledge of the *Entraguard* and/or *Identifone* systems; i.e., a combination of a public telephone network type *Entraguard* and/or *Identifone* system and the use of the entrance dial/keypad to directly open the door. (R.A.17a, ¶85.)

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#### REASONS FOR DENYING THE WRIT

1. **Petitioner Has Failed to Base His Petition On the District Court's Findings of Fact and Conclusions of Law as Required, and Failed to Object to Any Perceived Inadequacies In the Findings of Fact and Conclusions of Law Before They Were Adopted By the District Court.**

Petitioner has incorrectly based his Petition on the District Court's preliminary Memorandum of Decision, and not on its Findings of Fact and Conclusions of Law (hereinafter, "Findings") which superceded the Memorandum. Although Petitioner omitted a copy of the Findings, in violation of Rule 14(k)(i), Supreme Court Rules, a copy is attached in Respondents' appendix hereto. (R.A. 1a-22a.)

Petitioner has accordingly not argued that any factual finding in the Findings is erroneous.

Petitioner has alleged (Pet., pg. 27) that Respondents' counsel "changed the basis" for the District Court's holding of invalidity when he prepared the Findings pursuant to the Court's request. Even if true, which it is not, Petitioner failed to make a timely objection during the District Court proceedings. Accordingly, this question was not raised or preserved for appeal. Federal Rules of Evidence, Rule 103; *Purer & Co. v. Akliebologet Addo*, 410 F.2d 871, 876 (9th Cir. 1969) cert denied, 396 U.S. 834, 90 S.Ct. 90, 24 L.Ed.2d 84 (1969).

Findings of Fact which are prepared by counsel for the prevailing party, and which have been drafted pursuant to a request by the Court, are those of the Court once they have been adopted. *Anderson v. City Of Bessemer City, N.C.*, 470 U.S. 564, 572 (1985). The Petition is fatally defective in its failure to include, or take issue with, the Findings, and should be summarily denied.

**2. Petitioner Failed to Raise Before the Federal Circuit the Issue of Whether Respondents Failed to Carry Their Burden of Proof Showing That There is No Genuine Issue of Any Material Fact.**

Petitioner, in his second question presented for review, seeks to raise the issue of whether Respondents failed to carry their burden of proof showing that there was no genuine issue of any material fact. The record does not permit the formulation or resolution of this

question, in that Petitioner failed to raise it in his appeal to the Federal Circuit.

Among the issues formulated by Petitioner for review in his revised brief to the Federal Circuit, issue no. 3 is the only issue which so much as mentions any burden of proof:

- "3. Did the District Court err in granting Defendants' Renewed Motion for Summary Judgment of Invalidity of Claim 4 or Claim 9, in the total absence of any admissible "clear and convincing evidence" that either claim 4 or claim 9 is invalid in view of the Entraguard device, the Identifone device and the Pacific Telephone System." (R.A. 18a)

Although the phrase, "burden of proof" was included in the aforeslated issue as a factual predicate, the issue now presented by Petitioner is directed to that predicate for the first time. The issue of *whether* Respondents carried their burden, was never squarely placed before the Federal Circuit. Accordingly, this issue has been waived by Petitioner.

### **3. The District Court Did Not Conduct a Trial By Declaration.**

Petitioner has alleged that the District Court impermissibly weighed evidence and made credibility determinations in arriving at its decision to award summary judgment. This position was properly rejected by the Federal Circuit.

The record, as well as the Findings, show that Respondents met the criteria set forth by this Court for

awards of summary judgment, and that Respondents also established invalidity of the patent claims by the "clear and convincing" standard. No evidence submitted by Petitioner in the District Court proceeding established any facts which contradicted the facts set forth by Respondent's supporting witnesses, or raised any question whatsoever regarding the truth of the matters attested to by those witnesses.

Moreover, the District Court's Findings show that the District Court's award of summary judgment was not the "rush to judgment" portrayed by Petitioner, but was instead based upon a careful consideration and meticulous review of all the evidence before the Court.

Rule 56(c), Federal Rules of Civil Procedure *require* the non-moving party to set forth *specific facts* showing that there is a genuine issue for trial. One of the principal purposes of summary judgment is to isolate and dispose of factually unsupported claims. *Cellotex Corp. v. Catrett*, 477 U.S. 317, 322, 91 L.Ed.2d 265, (1986). Even now, the Petition itself is barren of any material fact which is in genuine dispute. No evidence is offered by Petitioner showing that (1) the prior art systems have components other than those attested to by Messrs. Janess, Lesher, Ahlstrom, and Ruiz, or (2) that the prior art systems operated differently than that attested to by Mr. Margolis and each of the foregoing witnesses, or (3) that the systems were not, in fact, in public use or on sale during the time periods to which these witnesses all attested.

Instead, the Petition recites (pp. 20-21) a number of peripheral and irrelevant points. First, Petitioner argues there is no documentary evidence that two telephone

lines were ordered for the trade show in Miami, Florida, or that Marlee paid for the installation and use of two telephone lines.

The District Court found (on the basis of uncontradicted evidence) that the Marlee system demonstrated at the Miami tradeshow prior to Petitioners claimed invention date, was connected to the Miami public telephone network. (R.A. 7a-8a ¶19). This fact was attested to by two witnesses, Messrs. Ahlstrom and Margolis. (Pet., pp. 6-7). A third witness, Mr. Janess, who did the detailed design work on the system, attested to the fact that the Marlee unit shown at the trade show was capable of operating in combination with the public telephone network, as attested to by Ahlstrom and Margolis.

The use and offering for sale of the Marlee system at the trade show prior to Petitioner's claimed invention date is all that is relevant. The "prior art" against which patentability is measured is defined by 35 U.S.C. 102 and includes all devices "known or used by others in this country before [the claimed invention date]" and devices which are "in public use or on sale in this country more than one year prior to the date of application for patent in the United States".

In the proceedings below, Petitioner failed to produce a single witness to counter the material facts establishing that the Marlee system was in use and on sale before the critical date. Petitioner's sole argument now is that no *written* documentation exists some twenty years later. However, as a matter of law, written documentation is not required to invalidate patent claims.

Moreover, Mr. Janess fully described the components of the Marlee system, and attested to the fact it was capable of operating with the public telephone network. Messrs. Ahlstrom and Margolis each attested to the fact that the system was known by others and publically operated at the Miami show, where it was offered for sale. Mr. Margolis additionally affirmed that he himself programmed the unit with the telephone number of the "public subscriber" telephone in the booth, which the booth's visitors called during the demonstrations. Accordingly, the uncontroverted evidence before the District Court was that the Marlee *Entraguard* system was known and used by others, and on sale, prior to Petitioner's claimed date of invention.

Corroborating advertisements and promotional literature were, in fact, authenticated by these witnesses and submitted to the district court. The fact that little more documentation exists some 18 years later is hardly suspicious, and does not constitute a basis for assigning error to the District Court's factual findings. Moreover, the prior art *Identifone* system, which also used the public telephone network, is prior art because it was also known and used (35 U.S.C. 102(a)), on sale (35 U.S.C. 102(b)), and described in a patent application filed before Petitioner's claimed invention date (35 U.S.C. 102(e)). The evidence concerning the *Identifone* system was also uncontroverted by Petitioner.

Secondly, Petitioner argues that there is no documentary evidence or even a statement by Messrs. Margolis, Ahlstrom or Janess, that the single prototype Marlee Entraguard unit was tested prior to being shipped to Miami to determine whether it was capable of being used

in combination with the Miami public subscriber network, or any public telephone network. This is irrelevant. What is relevant and uncontested (and what the District Court found (R.A. 8a, ¶22)) is that the Marlee system was operated in combination with the Miami public subscriber network, and was in public use and on sale in the U.S. prior to Petitioner's claimed invention date.

Third, Petitioner asserts that there is no documentary evidence or testimony that the Marlee unit was installed in an apartment building and used in combination with a public telephone network to admit visitors prior to the claimed invention date. Again, this is irrelevant for the reason set forth above. Equally irrelevant is Petitioner's quarrel with an invoice (P.A. 26a) displaying the term "W/C". The issue is not when delivery was taken. The issue is whether the system was "on sale". (35 U.S.C. 102(a)).

Petitioner asserts (Pet., p. 21) that there was testimony but no documentary evidence showing that the Lesher *Identifone* system was on sale prior to the claimed invention date. Again this is irrelevant. Uncontested declarations based upon personal knowledge are sufficient to establish a material fact. Mr. Lesher's declaration as to the dates of sale was wholly uncontradicted by any witness. Secondly, and more fundamentally, Mr. Lesher's U.S. patent on the *Identifone* was in evidence, and it was based upon an application filed prior to the claimed invention date. Petitioner submitted no evidence contradicting the Lesher patent. Even if there had never been a sale of the Lesher system, that U.S. Patent was prior art under 35 U.S.C. 102(e):

"A person is entitled to a patent unless . . . the invention was described in a patent granted on an application by another filed in the United States before the invention thereof by the applicant for patent. . . ."

Mr. Lesher's system was described in a patent granted on an application he filed on December 27, 1972; well before Petitioner's claimed invention date of June 7, 1973.

As this Court has stated, Rule 56 provides, by its very terms, that the mere existence of *some* alleged factual disputes between the parties will not defeat an otherwise properly supported motion for summary judgment. There must be a genuine dispute over material facts. Only disputes over facts which affect the outcome of the suit will properly preclude summary judgment. Moreover, to be a "genuine" dispute; the evidence must be such that a reasonable jury could return a verdict for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 91 L.Ed.2d 202, 211, 106 S.Ct. 2505 (1986). As this Court stated in that case:

"There is no issue for trial unless there is sufficient evidence favoring the non-moving party for a jury to return a verdict for that party. If the evidence [of the non-movant] is merely colorable, or is not significantly probative, summary judgment may be granted."

The record in this case, as well as the Petition itself, shows that Petitioner failed to produce a single witness to refute the facts set forth by, or the documents authenticated by, Messrs. Lesher, Ahlstrom, Janess, and Ruiz.

Moreover, the witnesses supporting Respondents' position, found by the District Court as having an average level of skill in the applicable art in the 1973 time frame (R.A. 15a, ¶50), all attested to the fact that the combination recited by Claim 9 of Petitioner's patent was an obvious combination at the time of the claimed invention date.

Not a single witness offered by Petitioner testified to the contrary regarding the components of the prior art systems, or to the fact that these systems were known, on sale and in public use prior to the claimed invention date.

The Petition is based upon the same, inadequate general denials and conclusionary statements that were before the District Court, and which were then unsuccessfully urged on the Federal Circuit. No witness with any pertinent technical skill testified in the District Court proceeding as to the alleged validity of the combination recited by Claims 4 and 9. (R.A. 15a, ¶51.) Petitioner, himself, is a Swedish pharmacist with no demonstrated level of "ordinary skill in the art". Petitioner's sole technical witness was a mathematician with experience in computer programming, and no experience in the applicable art. (R.A. 15a, ¶51). His declaration is not even offered here in support of the Petition. It was simply irrelevant.

The declaration from Petitioner's so-called patent expert as to technical matters or as to "obviousness" had no foundation, and was speculative, conclusionary and inadmissible. He is a patent attorney. His declaration fails to show any skill or experience in the relevant art, which

the District Court held to be "electrical and electromechanical security systems". (R.A. 4a, ¶9). If his declaration as to "obviousness" was offered as a "patent expert", it remains irrelevant and without foundation since it was not based upon the testimony of one skilled in the art.

Thus, while the bulk of the designers of the prior art telephone entry control systems in the 1973 time frame were called forth by Respondents, and supported Respondents' position that Claim 4 and 9 were invalid, and while Janess, Ahlstrom and Lesher had ordinary skill in the art at the time of Petitioner's claimed invention date (R.A. 12a, ¶50), no relevant admissible counter-evidence was offered by Petitioner in opposition.

The patent licenses offered by Petitioner as "secondary considerations of non-obviousness" were equally irrelevant. The Swedish license agreement, on its face, was a license under European patents.<sup>3</sup> Although the agreement included an option to acquire a license under the U.S Patent (R.A. 27a, 3d paragraph), nothing in the record indicated that the option was ever exercised. Moreover, the record established that the Swedish licensee did not know of the prior art before the District Court when the license agreement was entered into.

Similarly, the two U.S. licenses were found irrelevant by the District Court. In deposition, one company's president testified that it was simply cheaper to settle than to litigate, given the small portion of his product line represented by the covered entry control systems. (R.A.

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<sup>3</sup> The licensee intended to exploit the system in Europe. (R.A. 26a, 3d Whereas clause).

29a-31a). The president of the second company testified in deposition that he had *incorrectly* believed that the Federal Circuit had upheld the validity of the patent claim. (R.A. 32a-33a).

The clear, detailed, uncontroverted testimony of Respondents' witnesses was the basis for the District Court's granting of summary judgment. The District Court did not need to weigh the credibility of witnesses. Petitioner produced *no competent witnesses*. Petitioner's failure to offer so much as a scintilla of factual counter-evidence made the District Court's conclusions of invalidity and obviousness, and its award of summary judgment, appropriate. A reasonable jury could not have found for Petitioner, given the one-sided nature of the factual evidence. *Anderson v. Liberty Lobby*, 477 U.S. 242, 254, 91 L.Ed.2d 202 (1986). Respondent's evidence was sufficient to establish an abiding conviction that the truth of the factual contentions were highly probable. *Colorado v. New Mexico*, 467 U.S. 310, 316 (1984). There is no need for yet another review of the District Court's decision.

#### **4. It Was Not Error For the District Court to Adjudicate Claim 4 Invalid**

The validity of Claim 4 was properly in issue because Respondents had a reasonable apprehension they would face an infringement suit on Claim 4. Claim 9 cannot be infringed without also infringing its present Claim 4. There is nothing to prevent Petitioner from later asserting the broader Claim 4 against Respondents in connection

with present or future products. Petitioner, in fact, consistently refused to give written assurances that Respondents would not be sued for infringement of Claim 4.

Moreover, the analysis of Claim 4 required no additional judicial resources. Claim 9 is highly interrelated with Claim 4, adding but a single additional element to the recitation of Claim 4. The Court therefore needed to analyze Claim 4 as part of its analysis of Claim 9, since the former contains the majority of the claim elements relied upon by the latter.

Additionally, Claim 4 would have a needless chilling effect on Respondent's business and on the businesses of others in the industry if permitted to stand unchallenged. By the same token, the broader Claim 4 could not be valid when the narrower Claim 9 (which adds a feature to Claim 4) is invalid.

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## CONCLUSION

A Writ of Certiorari should not be granted. The District Court committed no error. The Federal Circuit Court of Appeals correctly affirmed *per curiam*. Petitioner cannot claim to have been "railroaded" where Respondent's motion for summary judgment was filed 14 months after commencement of the action, and Petitioner conducted discovery during that entire period. A hearing on this matter would be a tragic waste of this Court's valuable time and resources.

Respectfully submitted,

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## APPENDIX

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Attorney for Defendants

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

ANDERS E. TRELL	) CIVIL ACTION
Plaintiff and	) NO. 89-3355-DT (Kx)
Counterdefendant	)
v.	) ORDER [PROPOSED]
SENTEX SYSTEMS,	) GRANTING DEFENDANTS'
INC., et al.	) RENEWED MOTION FOR
Defendants and	) SUMMARY JUDGMENT OF
Counterclaimants	) INVALIDITY OF PATENT
	) CLAIMS 4 AND 9
	) DATE: AUGUST 20, 1990
	) TIME: 10:00 A.M.
	) COURTROOM: 14
	) (Filed Sept. 17, 1990)

1. Plaintiff Anders E. Trell ("Trell") is an individual alternatively residing in Stockholm, Sweden and Los Angeles, California.

2. Defendant Sentex is a California corporation having its principle place of business in this district. Defendant Davis is an individual residing in this judicial district.

3. United States Letters Patent 3,947,641 entitled "Use of Public Subscriber Telephone Network; Method and Apparatus" (hereinafter "the Trell patent") was granted to Plaintiff Anders E. Trell on March 30, 1976 - based upon an application filed by him on June 3, 1974 which claimed the priority of his Swedish patent application filed June 7, 1973.

4. The Trell patent describes an entry control system which includes a telephone instrument mounted outside a locked building. The telephone allows a visitor to contact and speak with someone inside the building through standard public telephone lines. The person within the building can then dial a pre-determined number (or depress a pre-determined keypad button) on his telephone which sends a signal through the public telephone lines and causes the entrance door to be unlocked, thereby enabling the visitor to enter the building. The described system additionally includes a direct access feature which allows a person to unlock the door directly by entering a pre-programmed number into the telephone keypad at the entranceway.

5. The entrance telephone is referred to in the Trell patent as an "Entrance Set". The patent further describes the components of the system as including a "Number Selector", defined as a "conventional dialing means," and a "loudspeaker or handset-verbal communication unit." (Patent, Col. 2, lines 53-55). Recognizing that a visitor could, with nothing more, dial any telephone number in the public telephone system, the Trell patent next provides (Patent, Col. 3, lines 4-45) a "Number Discriminator" at the output of the "Number Selector." The purpose of the "Number Discriminator" is to restrict "the use of

the entrance set to relevant telephone numbers only" (Patent, Col. 3, lines 8-9). Thus, the Trell system may allow telephone calls only to those persons who reside in the building visited, in the example of an apartment house. The output of the Trell "Number Discriminator", which telephone number has been found by the "Number Discriminator" to be an acceptable telephone number to pass on to the public telephone network.

6. The Trell patent describes a direct access feature at Col. 6, lines 11-17 as follows:

"According to another foreseen separate embodiment for special buildings, the key set of the entrance set can at the same time address (sic) a common combination lock device, the number dialed being a programmed telephone number, being dialed to the telephone network, but being the number programmed for in the combination lock, opening the door at once."

7. Claim 4 of the Trell patent recites:

"4. In combination with a public automatic subscriber telephone network an apparatus having connecting means by which the apparatus can be connected to a door lock, comprising:

switching means by which said apparatus can be coupled onto a telephone line going out to the automatic exchanges of said telephone network;

selecting means for dialing telephone numbers to said telephone network;

discriminating means for securing that only certain telephone numbers out of all those of the whole said telephone network can be selected

resulting in said telephone networks performing a call to one of said telephone networks subscriber telephone sets;

means for verbal communication with said subscriber telephone; and

means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock."

8. Claim 9 of the Trell patent recites:

"9. The combination of Claim 4, wherein said selecting means also addresses a common combination lock device."

#### The Scope and Content of the Prior Art

9. The pertinent art is electrical and electromechanical security systems.

#### The Lesher "Identifone"

10. Defendants have presented uncontradicted evidence that a system called the *Identifone* was sold in the Los Angeles area as early as 1972 by a company named Dialalarm, Inc. (Decl. of Lesher, ¶4).

11. The *Identifone* included a telephone instrument adjacent the normally locked door of an apartment building. A visitor to the apartment house would dial a three-digit code number into the entrance telephone's dial, corresponding to the occupant that (s)he wished to visit. The device would retrieve from a magnetic tape recording the telephone number of the occupant sought, and

dial the occupant's telephone through the public telephone system, causing the occupant's telephone to ring. The calls placed from the *Identifone* were restricted to the telephone numbers stored on the magnetic recording device so that only telephones of the occupants could be reached from the *Identifone*. (Decl. of Lesher, ¶4)

12. Using the telephone handset of the *Identifone*, the visitor identified himself to the occupant. If the occupant wished to admit the visitor he used a handheld tone generator near the mouthpiece of his telephone; the *Identifone* device would recognize the signal from the tone-generator and cause the door to unlock. (Decl. of Lesher, ¶4).

13. At the end of 1971, Lesher redesigned the *Identifone* to use a digital memory for storing the telephone numbers of the occupants. (Decl. of Lesher, ¶8)

14. In operation, the *Identifone* worked in combination with the public telephone network, and had terminals which allowed the system to be connected to a door lock. The system further included:

a switching circuit by which the *Identifone* could be coupled onto a telephone line going out to the automatic exchanges of said telephone network;

a telephone dial by which a selected code number was entered into the *Identifone* to dial a corresponding telephone number to said telephone network;

a magnetic tape memory for storing programmed telephone numbers, which was accessed by the dialed code to insure that only the programmed telephone numbers out of all those of the whole telephone network

could be selected, resulting in said telephone network performing a call to one of said telephone network telephone sets; namely, the selected tenant's telephone.

a telephone handset for allowing verbal communication between the *Identifone* and the tenant's telephone; and

a circuit in the *Identifone* responsive to signals induced from the tenant's telephone for thereupon releasing said door lock. (Decl. of Lesher, ¶6)

15. On December 27, 1972, Lesher caused a patent application on the redesigned *Identifone* to be filed. (Decl. of Lesher, ¶9)

16. At least some of the *Identifone* units sold in 1972 had "postman's locks", i.e., mechanical locks owned and installed by the U.S. Postal Service. The postman carries a key which fits the lock, and he uses the key to bypass security systems and open entrance doors for mail delivery. In the *Identifone*, a microswitch was positioned to contact the mechanical bolt of the postman's lock. When the postman turned his key in the lock, the microswitch responded to the bolt's movement by activating circuitry which energized the door strike. (Decl. of Lesher, ¶11)

17. On February 15, 1974, James Lesher filed a "continuation-in-part" ("CIP") of his 1972 patent application, and the 1972 application was abandoned. The CIP application was the same in content as the 1972 patent application except that it additionally described the use of the occupant's telephone keypad or dial as an alternative to the hand-held tone generator. U.S. Patent 3,917,911 ('911 Patent) was granted on the CIP patent application on

November 4, 1975. The description in '911 Patent, excluding those elements which were added in 1974, is consistent with the declaration of Mr. Lesher.

The Marlee "Entraguard"

18. Defendants also presented uncontradicted evidence that a working prototype of a second entry control system, called the *Entraguard*, was shown and demonstrated at a tradeshow in Miami, Florida on April 2-4, 1973 by a company named Marlee Electronics Corp. (Decl. of Margolis, ¶7; Decl. of Ahlstrom, ¶11). This was prior to Trell's priority date of June 7, 1973.

19. The *Entraguard* prototype at the Miami tradeshow worked in combination with the Miami public subscriber network. (Decl. of Ahlstrom, ¶11; Decl. of Margolis, ¶7). It included a switching circuit responsive to the entry of a valid tenant code number to seize the line to the automatic exchange of the network; a keypad for entering the code number which accessed memory; a circuit for dialing corresponding telephone numbers to the network; a memory and access circuit which insured that only telephone numbers pre-programmed into the memory could be selected, resulting in the call being performed to one of the network subscriber sets, i.e., the tenant's telephone. The *Entraguard* also included a telephone handset for verbal communication between the *Entraguard* and the tenant's telephone, and a circuit responsive to the tone or pulses from the tenant's telephone to release the door lock. (Decl. of Janess, ¶7). This exactly tracks the language of Claim 4 of the Trell patent.

Accordingly, Claim 4 of the Trell patent reads on the *Entraguard* prototype.

20. At the April 1973 tradeshow in Miami, the prototype *Entraguard* was set up in a booth and connected to the Miami public telephone system. A demonstration building directory was placed adjacent to the connected prototype. A second telephone line was connected to an ordinary telephone in the booth, which represented a tenant's telephone. The prototype was programmed so that whatever three digit number from the demonstration directory was inserted via the key pad by a convention attendee, the prototype telephoned the number of the "tenant" telephone in the booth via the Miami public subscriber network. When the "tenant" telephone was answered, depression of its "9" digit button caused a signal to be sent from the "tenant" telephone to the prototype via the Miami public subscriber network, activating an electrical door strike. (Decl. of Ahlstrom, ¶11; (Decl. of Margolis, ¶7).

21. Prices and delivery schedules for the *Entraguard* were quoted by Marlee at the April 1973 tradeshow to attendees who inquired. (Decl. of Ahlstrom, ¶12). An order for the *Entraguard* was placed with Marlee on May 15, 1973, and the *Entraguard* was transferred to the purchaser on or about June 1, 1973. (Decl. of Margolis, ¶9).

22. The *Entraguard* prototype was in public use and "on sale" in the United States during the period April 2-4, 1973.

23. During the designing of the *Entraguard* system, a direct access feature was discussed which would enable a person to enter an access code into the entrance unit via

its keypad to open the door directly without the use of the public subscriber network. The feature was excluded because the foreseeable disclosure of the access code to non-tenants was deemed a serious security breach. (Decl. of Ahlstrom, ¶¶6, 7, 14).

24. The *Entraguard* and *Identifone* embodied each and every element of Claim 4 of the Trell patent.

25. Trell has admitted that there are no differences between the *Entraguard* described by Defendant's witnesses, Margolis, Ahlstrom and Janess, and the system defined by Claim 4 of the Trell patent. (Trell Depo., Vol. I, pg. 149).

#### The Pacific Telephone System

26. Prior to Trell's priority date, and at least as early as December 1969, Pacific Telephone used, and leased to its customers, an entry control system which included a standard telephone instrument adjacent a normally locked door of a building. (Decl. of Ruiz, ¶4).

27. Defendants presented the uncontradicted declaration of Hector Ruiz, stating that Mr. Ruiz was provided with a numerical code, when he commenced employment with Pacific Telephone in December 1969, which he would dial into the entrance telephone of the Pacific Telephone system via its rotary dial in order to gain access to the building. When he dialed the number into the telephone, the door unlocked, permitting him to enter the building. (Decl. of Ruiz, ¶4).

28. In his declaration, Mr. Ruiz described another feature of the Pacific Telephone system, which he had

personally seen and used. According to Mr. Ruiz, a set of instructions was posted near the entranceway telephone advised non-employees to dial a code (which was different from the pre-assigned code) in order to gain entrance to the building. Upon dialing the code, the visitor was connected to an employee's telephone within the building. The employee, whose telephone rang in response to the visitor's entry of the code, would answer his/her telephone, establishing voice contact with the visitor and determining the purpose of the visitor's desired admission. The employee could then unlock the entrance door for the visitor by dialing a certain number on his/her telephone. (Decl. of Ruiz, ¶5).

29. At some installations, the directions provided the non-employee with a choice of codes, depending upon the general purpose of the visit so that, by choosing a code which matched the general purpose of visit, the visitor was connected to the telephone of the appropriate employee within the facility. (Depo. of Ruiz, pg. 79)

30. Mr. Ruiz stated in his declaration that Pacific Telephone entry control systems, combining telephone entry and direct access as described above, were in use in dozens of Pacific Telephone facilities in the Los Angeles area alone prior to January 1973.

31. In addition, Mr. Ruiz stated in his declaration that he personally arranged for the installation of such systems for Pacific Telephone customers prior to January 1973, including the Los Angeles Board of Education, Sam & Walter's Camera Repair, Greyhound Bus Company, Los Angeles International Airport and a number of airlines (Decl. of Ruiz, ¶6).

32. The components of the Pacific Bell system are described in Mr. Ruiz's deposition and declaration. The entranceway telephone was connected to a "Key Service Unit (or "K.S.U."), which was basically a box to which were connected all employee telephones, the incoming public subscriber lines, the entrance telephone, and the door strike. (Depo. of Ruiz, pg. 27).

33. To limit the number of employee telephones which were callable from the entrance unit, the K.S.U. included a circuit card that interfaced between the entrance telephone and the employee telephones that were to be callable, as well as between the callable employee telephones and the door strike. (Depo. of Ruiz, pg. 28-32; Decl. of Ruiz, ¶9).

34. When an employee's telephone was dialed by the entrance instrument, the instruments were coupled together through dedicated lines via the K.S.U., thus enabling the employee and visitor to establish voice contact. If the visitor's entrance was desired, the employee dialed a number on his telephone which activated the door strike. (Decl. of Ruiz, ¶9)

35. Employee telephones subject to calls from the entrance set could be changed by changing the connections to the circuit card. (Decl. of Ruiz, ¶8).

36. When an employee telephone was dialed by the entrance instrument, the two instruments were coupled to each other through the K.S.U. The employee telephone and the entrance unit were not coupled together through the public telephone network.

37. If the person's entry was desired, the employee would dial a number which, instead of ringing a telephone, activated the striker at the entrance.

38. Although the Pacific Telephone system did not use the public subscriber telephone network, the same "selecting means" was used to both dial the employees' telephones and to enter a direct access code which addresses the door lock.

Level of Ordinary Skill in the Art at the Time the Invention Was Made

39. A person of ordinary skill in the art at the time of the Trell invention would have had a bachelors degree in electrical engineering, or its equivalent, plus two to five years of practical design experience. Plaintiff has not offered any evidence that a person of ordinary skill in the art at the time of the Trell invention would have any other education or experience.

Differences Between the Device Recited by Claim 9 and the Prior Art.

40. Entry control systems with "discriminator" means, as well as all the other Claim 4 elements, and using the public telephone network to connect the entrance unit with an occupant's telephone (such as *Identifone, Entraguard*) were known in public use and "on sale" in the United States prior to Trell's invention date.

41. The use of a dial of an entrance telephone unit of an entry control system to directly unlock an entrance-way door in response to entry of a predetermined code

was known, in public use and "on sale" in the United States prior to Trell's invention date (e.g., Pacific Telephone System).

42. Entry control systems including "selecting means" for dialing telephone numbers to a (local) telephone network, and for also addressing a common combination lock device were known in public use and "on sale" prior to Trell's invention date (e.g., Pacific Telephone System).

43. The only difference between the device recited by Claim 9 and the prior art before this Court is that the Claim 9 device combined the direct access feature of the Pacific Telephone system with a "public subscriber network"-type system like the *Identifone* and *Entraguard* systems, instead of with a "dedicated line" system such as the Pacific Telephone system.

44. Neither the Lesher *Identifone*, the Lesher patent application filed December 27, 1972, the *Entraguard*, or the Pacific Telephone entry control system were cited by the patent examiner against the patent application that matured into the Trell patent.

45. The *Identifone* and *Entraguard* systems, Lesher patent (excluding the material added by Lesher in 1974), and Pacific Telephone system were each more pertinent than the prior art cited by the patent Examiner who granted the Trell patent. None of the prior art references before the patent examiner showed an entry control system which utilized the public telephone system to connect an entrance unit to an occupant's telephone, as did the *Identifone* and *Entraguard* systems. None of the prior art references before the patent examiner when he

granted the Trell patent showed an entry control system which, like the Pacific Telephone system, permitted a visitor to dial an occupant from the entrance unit or, alternatively, dial a direct access code into the entrance unit to unlock the door without an occupant's involvement.

46. Defendants have presented the declarations of Messrs. Janess and Ahlstrom (designers of the 1973 *Entraguard* system) and Mr. Lesher (designer of the redesigned *Identifone* system) stating that the modification of their respective systems to use the entranceway telephone dial for the entry of both telephone codes and entrance codes, would have been obvious in the 1972-73 time frame in view of the Pacific Telephone system's use of that same feature for the same purpose. (Decl. of Ahlstrom, ¶17-18; Decl. of Janess, ¶10-11; Decl. of Lesher, ¶17-18).

47. Mr. Janess had the equivalent of two years of electrical engineering courses plus 15 years of electronics experience with electronic circuitry at the time he designed the *Entraguard*. (Decl. of Janess; ¶¶3,4)

48. Mr. Lesher had attended San Fernando State College for two years followed by the University of California, Berkeley for two years, majoring in Electrical Engineering and Computer Sciences, prior to redesigning the *Identifone* to include a digital memory. (Decl. of Lesher, ¶¶3, 7)

49. Mr. Ahlstrom had a B.S. degree in Physics for eleven years at the time he designed the *Entraguard*, and has expressed the opinion that an average designer at

that time would be a non-graduate engineer with approximately 5-6 years of actual experience in designing electronic circuits, or a graduate engineer with a B.S. degree in Electrical Engineering and somewhat less actual design experience.

50. Messrs. Janess, Ahlstrom and Lesher were each persons of ordinary skill in the art in the April 1973 time frame.

51. Plaintiff has not provided any testimony from anyone skilled in the art to refute the declarations of Messrs. Janess, Ahlstrom and Lesher. Plaintiff's sole technical witness is a mathematician with experience in computer programming and computer security (Decl. of Heinlein, pp. 2-3). He has not worked in the art, and has not submitted any evidence of ordinary skill in the art, of designing electrical and electromechanical security systems of the type in issue in the present action.

### Secondary Consideration

52. Plaintiff argues that commercial success of his product shows that the invention of Claim 9 is not obvious. Plaintiff has put forth no proof of commercial success. To the extent that devices embodying the elements of Claim 9 are successfully sold in the marketplace, no proof has been offered showing that the success is due to the claimed combination of telephone entry via the public subscriber network and direct access via the same "selecting means", rather than the systems' use of the public subscriber network to eliminate the need for dedicated wiring. No nexus is shown.

53. Plaintiff has produced evidence of a license between himself and Bewator Svensk Teleproduktion. Again, no nexus is shown. That license only applies to European patents, whose scope and validity are subject to the laws of their respective countries and not to Sections 102 and 103 of Title 35, U.S. Code. For example, the validity of these patents are not effected by the sales of *Identifone*, *Entraguard* and/or Pacific Telephone systems in the United States prior to Trell's invention date.

54. All conclusions of law set forth below which are deemed to be statements of fact are hereby incorporated by reference.

#### CONCLUSIONS OF LAW

55. This Court has jurisdiction over the parties. (28 U.S.C. 1338(a))

56. This Court has jurisdiction over the subject matter of this litigation. (28 U.S.C. 1338(a))

57. Venue is proper in this litigation. (38 U.S.C. 1400(b))

58. A patent is presumed to be valid. 35 U.S.C. 282.

59. The presumption of patent validity may be rebutted only with clear and convincing evidence. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1050 (Fed. Cir. 1988).

60. As in other cases, summary judgment in a patent case is appropriate where, viewing the evidence in a light most favorable to the non-moving party, there are no genuine issues of fact and the moving party is entitled

to judgment as a matter of law. *Hodosh v. Block Drug. Co., Inc.* 786 F.2d 1136, 1141 (Fed. Cir. 1986).

61. If Sentex succeeds in establishing a *prima facie* case of invalidity, Trell must come forward with sufficient evidence to counter the challenge. *Cable Electric Products v. Genmark, Inc.*, 770 F.2d 1015, 1022 (Fed. Cir. 1985).

62. In order to overcome summary judgment after a *prima facie* showing of invalidity, Trell must show an evidentiary conflict on the record; mere conclusory statements are not sufficient. *Hodosh v. Block Drug. Co., Inc.* 786 F.2d 1136, 1141 (Fed. Cir. 1986).

63. Patent validity is a question of law. *Graham v. John Deere Company of Kansas City*, 383 U.S. 1, 86 S.Ct. 684, 1715 L.Ed.2d 545 (1966)

64. A person is entitled to a patent unless:

(a) the invention was *known or used* by others in this country . . . before the invention thereof by the applicant for patent, or

(b) the invention was . . . *in public use or on sale* in this country more than one year prior to the date of application for patent in the United States. . . .

(35 U.S.C. 102)

65. Plaintiff's "invention date" is the date on which he filed his Swedish patent application for which priority was claimed; namely, June 7, 1973. *Yaskuko Kawai v. Metlesics* 480 F.2d 880 (CCPA; 1970).

66. In order to have anticipation, all of the elements of the patented device or their equivalents must be found

in a single prior art device. *Amphenol Corporation v. General Time Corporation* 397 F.2d 431 (7th Cir. 1968).

67. Plaintiff's mere bald assertions to the contrary are not sufficient to challenge the declarations of fact witnesses submitted by Defendants showing that the *Entraguard* was connected to the Miami public telephone network at the tradeshow in Miami in April 1973. *Harper v. Wallingford*, 877 F.2d 728 (9th Cir. 1989)

68. Interpretation of a patent claim is a matter of law. *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 956 (Fed. Cir. 1983).

69. Because this Court has before it both the Trell patent and U.S. Patent 3,917,911 (Lesher) on the *Identifone*, and the scope and content of those patents is easily discernible, no testimony, expert or otherwise, regarding their scope and content is necessary. *Chore-Time Equipment v. Cumberland*, 713 F.2d 774, 779 (Fed. Cir. 1983).

70. Although an occupant in a building having an *Identifone* unit, prior to Trell's invention date, used a hand-held tone generator next to his telephone mouth-piece to activate mechanism which released the door lock, the language of Claim 4 is sufficiently broad to read on the *Identifone* device. The pertinent language "means responsive to signals induced from said subscriber telephone for thereupon releasing said door lock" does not require that the signals be generated by the subscriber telephone. Claim 4 only requires the signal to come from the subscriber telephone.

71. The *Entraguard* and *Identifone* each include each and every element of Claim 4.

72. Claim 4 of the Trell patent is invalid under 35 U.S.C. 102(a) and 35 U.S.C. 102(b).

73. A patent may not be obtained though the invention is not identically disclosed or described as set forth in Section 102 of this Title, if the difference between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. (35 U.S.C. 103)

74. Obviousness is a legal conclusion based on factual determinations and not a factual determination itself. *Panduit Corp. v. Dennison NFG Co.*, 810 F.2d 1561 (Fed. Cir. 1987), cert. denied, 107 S.Ct. 2187, 95 L.Ed.2d 843 (1987); *Aktiebolaget Karlstads Mekaniska Weirkstad v. United States Int'l Trade Comm.*, 705 F.2d 1565, 1575 (Fed. Cir. 1983).

75. Under Section 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or non-obviousness of the subject is determined. *Graham v. John Deere Company of Kansas City*, supra.

76. The conclusion as to obviousness turns on whether a hypothetical person with ordinary skill and knowledge in the art to which the invention pertains, and with full knowledge of all the pertinent prior art, would be led naturally to the solution adopted in the claimed invention when faced with problem to which the claimed invention is addressed. *In re Nilssen* 851 F.2d 1401, 1403

(Fed. Cir. 1988); *Custom Accessories, Inc. v. Jeffrey Allan Industries, Inc.* 807 F.2d 955, 962 (Fed. Cir. 1986).

77. Hindsight must not be used. Something in the prior art must suggest the desirability, and thus the obviousness of making the combination. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1051 (Fed. Cir. 1988).

78. The Court must also consider any "secondary considerations" such as commercial success and commercial acquiescence when present. *Union Carbide Corp. v. American Can Co.*, 724 F.2d 1567, 1576 (Fed. Cir. 1984).

79. "Secondary considerations" are always relevant to the question of non-obviousness, but the weight accorded evidence of secondary considerations must be carefully appraised in relation to the facts of the actual case in which it is offered. *Cable Electric Products, Inc. v. Genmark, Inc.* 770 F.2d 1015, 1026 (Fed. Cir. 1985).

80. The trier of fact should determine whether the proffered evidence of secondary considerations is relevant to the subject matter as claimed. If there is a nexus between the commercial success and the subject matter as claimed, the evidence should be considered in reaching a conclusion on the issue of "obviousness". If there is no nexus, the evidence should not be considered. *Ashland Oil Co. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281 (Fed. Cir. 1985); cert. denied 106 S.Ct. 1201 (1986).

81. Commercial success must in some way, be due to the nature of the invention, as opposed to other economic and commercial factors unrelated to the technical quality of the patented subject matter. *Stratoflex, Inc. v. Aeroquip Corp.* 713 F.2d 1530 (Fed. Cir. 1983).

82. The burden is on the patentee to come forward with any evidence of secondary considerations which have the required nexus to the claimed invention. *Pentec, Inc. v. Graphic Controls, Corp.*, 776 F.2d 309 (Fed. Cir. 1985).

83. 35 U.S.C. 103 requires that a claim be declared invalid only when the invention set forth in that claim can be said to have been obvious to one of ordinary skill in the art. As an aid in determining obviousness, that requirement precludes consideration of whether the invention would have been obvious to the rare genius in the art, or to a judge, or other layman after learning all about the invention. *Stratoflex, Inc. v. Aeroquip Corp.* 713 F.2d 1530, 1538.

84. Nothing in Claim 9 requires that the public telephone network must be used in addressing a common combination lock device. *Trell v. Marlee Electronic Corp.*, 10 USPQ2d 1790, 1791 (Fed. Cir. 1989)(unpublished).

85. A person of ordinary skill in the art, having knowledge of the Pacific Telephone system and the *Identifone* and/or *Entraguard* systems, would have found the invention recited by Claim 9 obvious at the time of Trell's invention date.

86. Claim 9 of the Trell patent is invalid under 35 U.S.C. 103.

87. All matters of fact set forth in Paragraphs 1-53 above which are deemed to be conclusions of law are hereby incorporated by reference.

22a

**APPROVED AND SO ORDERED**

Dated: SEP 17 1990, 1990      DICKRAN TEVRIZIAN  
U.S. District Court Judge

Submitted by:

Ashen Martin Seldon Lippman & Scillieri

By: Robert A. Seldon  
Robert A. Seldon  
Attorney for Defendants

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Please initially note the letter of September 10, 1990 from Defendants' attorney to the District Court's court-room deputy, listing the changes the attorney made in the District Court's "Memorandum Of Decision And Order" (A18, 19).

**I. Statement Of The Issues Presented For Review.**

1. Did the District Court err in ruling on the validity of claim 4 of the suit patent, which was not properly in issue?
2. Did the District Court err in granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Claims 4 And 9, based upon statements contained in the declarations of Robert Margolis, Don Janess, James M. Lesher and John F. Ahlstrom, none of whom was present at the hearing on Defendants' Renewed Motion For Summary Judgment, to be cross-examined by Plaintiff's attorney pursuant to Rule 7.5.4 of the Local Rules of Practice for United States District Court, Central District of California?
3. Did the District Court err in granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Claims 4 and 9, in the total absence of any admissible "clear and convincing evidence" that either claim 4 or claim 9 is invalid in view of the Entraguard device, the Identifone device and the Pacific Telephone system?
4. Did the District Court err in adjudging that the "hand held tone generator" used with the Identifone device, meets the requirement of "signals induced from said subscriber telephone" as contained in claim 4, based

upon the District Court's examination of only the Trell patent and the Identifone patent?

5. Did the District Court erroneously use hindsight and the knowledge of the Trell invention in concluding that "an inventor with the ordinary skill in the art when confronted with the problem of trying to add a direct access feature to the *Entraguard* or *Identifone*, would see the obviousness of combining the direct access feature of the Pacific Telephone System with the *Entraguard* or the *Identifone*"?

6. Did the District Court err in disregarding the Declaration of Edwin Heinlein, Plaintiff's technical expert?

7. Did the District Court err in disregarding the statements contained in Declaration of Walton E. Tinsley, Plaintiff's patent expert.

8. Did the District Court err in excluding evidence of the Trigon License and the Doorking License on the grounds that they are "barred by Federal Rule of Civil Procedure No. 408 since they are the products of settlements"?

## **II. Statement Of The Case.**

### **A. The Parties.**

The plaintiff-appellant Anders E. Trell is a citizen of Sweden, having an "immigrant" status in the United States. He resides alternatively at Los Angeles, California, and at Stockholm, Sweden.

The defendant-appellee Sentex Systems, Inc., is a California corporation, with an office and principal place of business at Chatsworth, California.

The defendant-appellee William R. Davis is a citizen of the United States and of the State of California, and resides within the Central Judicial District of California.

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## LICENSE AGREEMENT

AGREEMENT made this 27th day of September 1983 by and between Anders Trell, residing at Polhermsgatan 20B, 112 36 Stockholm, Sweden (herein designated as the "Licensor") and Bewator Svensk Teleproduktion, AB, a Corporation with a principal place of business at Box 11021, 100 61 Stockholm, Sweden (herein designated as the "Licensee").

### WITNESSETH:

WHEREAS the Licensor has invented an entry phone with a complementary alarm function (herein designated as the "Invention"), which is connected to the regular telephone network. It is based on ideas stated in the patents and patent applications as per Exhibit 1 to this Agreement.

WHEREAS Televerket [the Swedish National Telecommunications Administration has, as shown in Exhibit 2 hereto annexed, issued its technical approval and has, in accordance with Exhibit 3, issued its approval that the Invention may be connected to the telephone network; and

WHEREAS the Licensee intends to exploit the Invention for all purposes in Europe; and

WHEREAS any physical or legal person associated with the Licensee or in which the Licensee has substantial interest shall be considered equivalent to the Licensee;

NOW THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained and

promises herein expressed and for other good consideration acknowledged by each of them to be satisfactory and adequate do hereby agree as follows:

## ARTICLE 1

The Licensor, who declares himself to be the sole owner of the Invention, gives and grants to the Licensee the exclusive right to manufacture, use and sell the Invention in Europe in accordance with the terms and conditions hereinafter set forth.

The Licensee shall have the right grant sublicenses in Europe, but shall be responsible to the Licensor for ensuring that the rights of the latter under this Agreement shall not thereby demonstrably be substantially reduced.

### Other countries

If the Licensor wishes to exploit the Invention outside Europe, he shall first give the Licensee the right, with observation of a period of three months for consideration, to expand the exclusive license in return for Licensee paying to the Licensor a non-recurring sum of 50,000 Swedish kronor per country and in accordance with the other terms and conditions set forth in this Agreement. For the United States of America, special terms and conditions shall apply as set forth in the next to last paragraph of Article 7.

The exclusive right to manufacture and sell the Invention shall expire on January 1, 1990 in those countries in which the Invention is patented and the Licensee

or its sublicensees sell less than 50 entry phones per year pursuant to the Invention.

However, the parties shall always jointly determine whether the technical or commercial preconditions pursuant to this Article exist before the Licensee's rights under this Agreement cease.

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[p. 25] Q Do you know approximately what percentage of DoorKing's business is telephone entry control systems with direct access?

MR. SCHAAP: I will object.

THE WITNESS: Doesn't make a hell of a lot of difference. About 25, between 25 and 30.

MR. SELDON: Q 25 percent to a third?

A Yeah, somewhere in there. It will vary.

\* \* \*

[p. 59] And the cost. I called up Bill Holloway and talked with him.

He said, "Rich, this just going to court is costing me over \$220,000."

Q Could you identify Mr. Holloway?

A Well, he was the president of Marlee.

Q Thank you.

A So it - taking our time away from our business and causing me to get my hair a little bit grayer, closer to his -

Q Indicating he is referring to Mr. Wills.

A It's very worrisome. I got tired of worrying, taking the time away from my business. The odds were probably 50/50 I'd win if I went to the appellate court, and if I won, I didn't win a lump sum of money.

And three, having that figure of 220,000 in my mind, one day I begin to think what would it cost if I just paid him off. I figured here's a man over from Sweden. I don't know how wealthy he is, but if he were extremely wealthy, he'd be put up in a big fancy hotel. He rented a modest apartment.

I got to thinking, you know, maybe a hundred thousand dollar check would look big to him. I still don't know if it did or did not. He never did express himself.

So I had my company figure out, as I told [p. 60] before, about what we were doing a month, and I sat down over at the coffee shop and got a napkin and calculated what it would cost. I think it was nine months

back to March. I put that figure down. And I think there was 48 months total left in the patent. I think there were 39 months.

Then I had the girl down at the bank figure out how much money I'd have to put up today so it would equal that figure 39 months from now. And they gave me the figure.

I took the two figures, put them together, added them together, and it came out a little over 125,000, three, four thousand more, five, maybe.

So I told Tom, my son, this is about half what it would cost us if we went to Washington, if we lost or not, or won.

So we thought well, let's see if we can settle for that.

He and I talked it over every day until 8:00 o'clock every night.

Q He, being your son?

A My son, yeah.

So I called up. I called Wills. He wouldn't give me the time of day.

So I figured, well, I'll just call Stockholm.

And I called Stockholm and tried to get

[p. 37] And I fully believed at the time, because of the thing going through court twice, that it probably had a lot of merit to it. If you take a patent like this and you knock out 18 parts of 19 and one sticks to appeal, you better sit down and take notice. That's all I do.

And I went on my own way.

I will say Bill very nicely, through you, wanted to loan me money, which I don't need. And the only other one that put money in this thing was SES. And SES, I had their check the next day after we had the meeting.

Q Was it your understanding that the patent claim that had been asserted against you had had its validity upheld?

A Absolutely, absolutely. When you go through court twice after a year's trial, it's probably a pretty sure thing that they've got something to -

Q When you reached this conclusion, which was certainly a good decision, was it your understanding [p. 38] that the patent claim, Claim 9, I believe, do you recall if you were sued under Claim 9 of the patent?

A I don't recall or not.

Q Do you recall if you were sued under a particular patent claim?

A I was sued for patent infringement and it was specifically called out in my suit.

Q Was it your understanding at the time you made this decision that the claim, that the patent, as interpreted by the Court, had been upheld as valid?

MR. FRIEDMAN: What decision are you talking about?

MR. SELDON: The trial court decision.

MR. FRIEDMAN: At the time Mr. Gagnon made what decision?

MR. SELDON: You testified it was your understanding the patent had been through the court twice; is that correct?

A Uh-huh [witness nods head up and down].

Q And something had stuck. Was that your testimony?

A To the best of my knowledge, they had gone through the courts twice and, therefore, it probably is a valid patent.

Q When you say it went through the court twice --

A Well, they went through the regular first court and then went through appeal. I don't know. Ask [p. 39] Mr. Wills.

Q So the trial court and appeal court is what you mean?

A Right.

Q Is it your understanding that the trial court's interpretation of the patent was upheld as valid by the appeal court?

A I didn't care.

Q Okay.

A I didn't care. I was just, again, as a prudent businessman, this thing has been through two divisions of court. Whether you want to call it appellate or not, I don't care. And as a result, they had found it a valid patent.

And as far as I was concerned, I've got to start thinking about it. And that's exactly what I did. And I went in accordance with my lawyer's instruction. We worked from there.

Q But is it your testimony you did not know anything about the validity of any particular patent interpretation at the time?

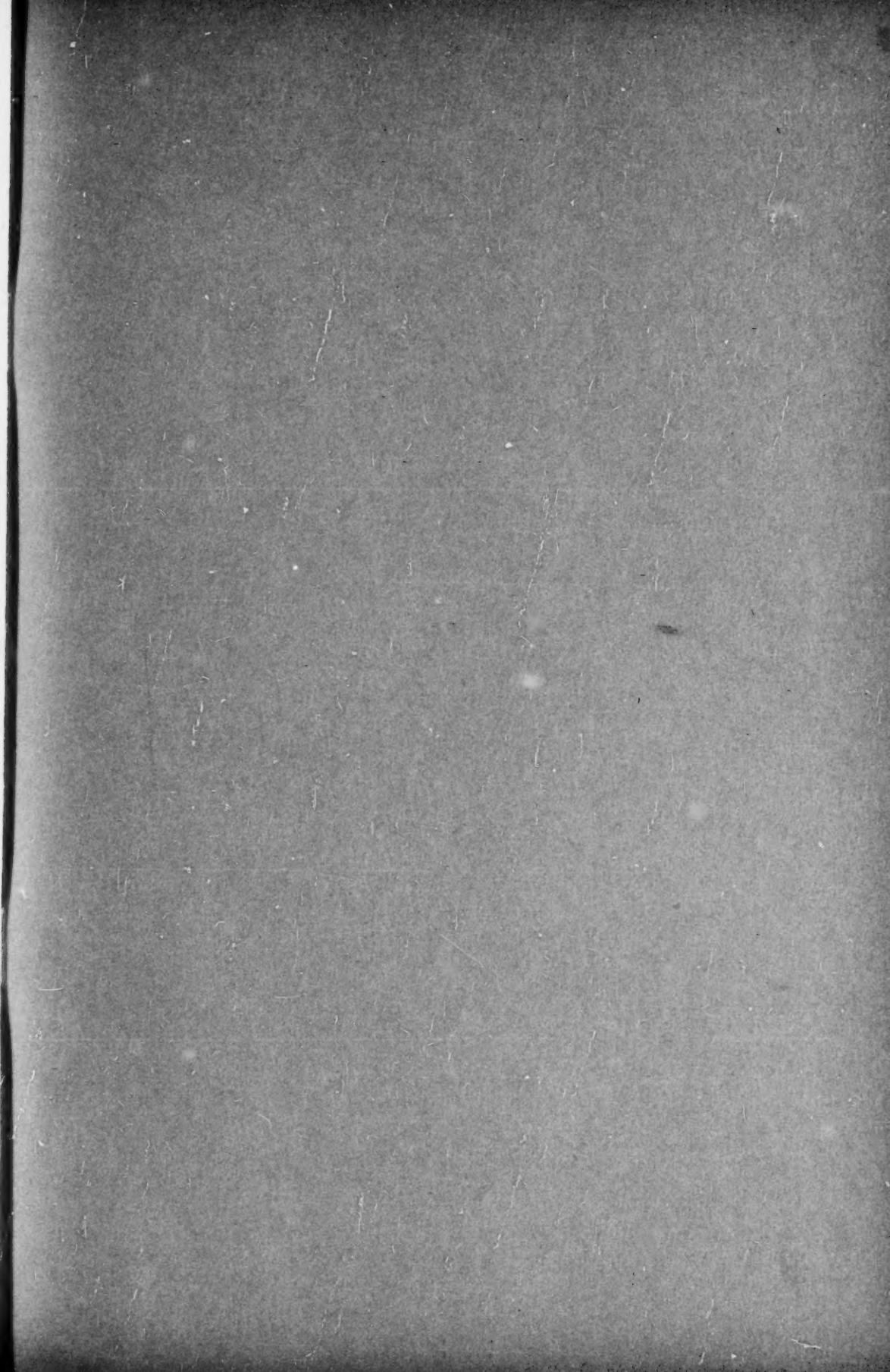
A No.

MR. FRIEDMAN: I object. He has answered the question to the best of his ability.

MR. SELDON: Can you read the original question back

\* \* \*

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3  
No. 91-588

Supreme Court, U.S.

FILED

NOV 14 1991

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In The  
**Supreme Court of the United States**  
October Term, 1991

ANDERS E. TRELL,

*Petitioner,*

v.

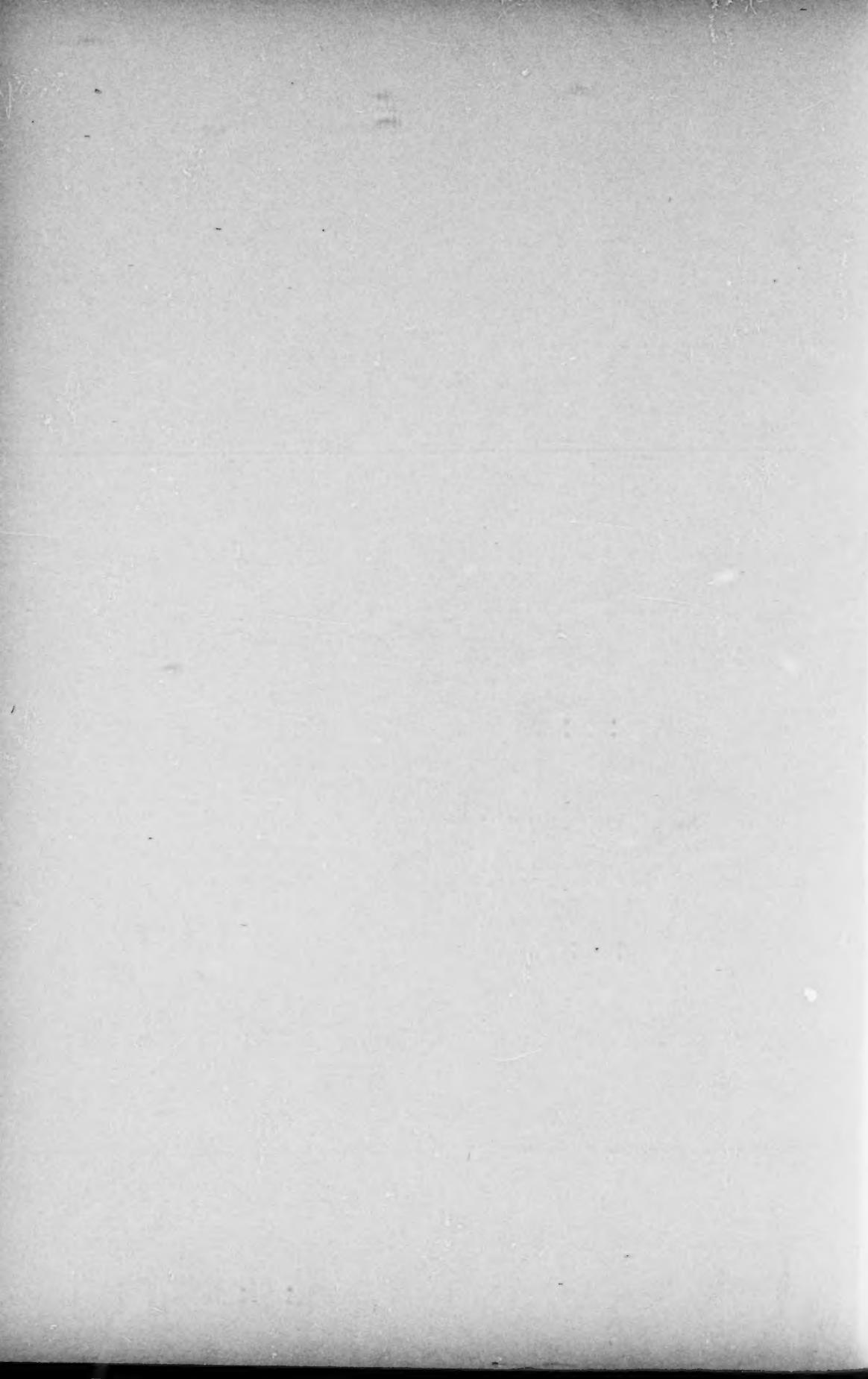
SENTEX SYSTEMS, INC., and WILLIAM R. DAVIS,  
*Respondents.*

**Petition For A Writ Of Certiorari To The United  
States Court Of Appeals For The Federal Circuit**

**PETITIONER'S REPLY BRIEF**

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## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTION.....</b>	1
<b>PETITIONER'S RESPONSES TO RESPON-</b>	
<b>DENTS' ARGUMENTS FOR DENYING THE</b>	
<b>WRIT .....</b>	2
1(a) Petitioner is not required to base the Petition on the District Court's finding of fact and conclusions of law. Petitioner did not discuss Respondents' "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9" because it does not contain the Dis- trict Court's actual bases for concluding that claims 4 and 9 of patent 3,947,641 are invalid. The District Court's bases are contained in its "Memorandum Of Decision And Order" .....	2
1(b) Plaintiff's (Petitioner's) counsel was not af- forded the opportunity to object to the con- tents of the Findings Of Fact And Conclusions Of Law prepared by Defendants' (Respondents') counsel.....	4
2. Petitioner (Plaintiff) clearly raised before the Court Of Appeals For The Federal Cir- cuit, the issue that Defendants (Respon- dents) had failed to carry their burden of establishing that there was no genuine issue as to any material fact .....	5
<b>MISSTATEMENTS OF FACT IN RESPON-</b>	
<b>DENTS' BRIEF IN OPPOSITION .....</b>	6
<b>CONCLUSION .....</b>	8

## TABLE OF AUTHORITIES

	<u>Page</u>
<b>Cases</b>	
<i>Anderson v. City Of Bessemer</i> , N.C. 470 U.S. 564, 572 (1985) .....	5
<i>Purer &amp; Co. v. Akliebologet Addo</i> , 410 F.2d 871, 876 (9th Cir. 1969) <i>cert. denied</i> , 396 U.S. 834 (1969) .....	5
<i>In re Winslow</i> , 365 F.2d 1017 (CCPA 1966) .....	3
<b>Statutes</b>	
United States Code, Title 35, Section 102(a) .....	6
United States Code, Title 35, Section 102(b) .....	6
United States Code, Title 35, Section 102(e) .....	6
<b>Rules</b>	
Supreme Court Rule 10.1(a) .....	2
Supreme Court Rule 15.1 .....	1
Supreme Court Rule 15.6 .....	1
Local Rules of Practice D.C. California 14.3 .....	5
Local Rules of Practice D.C. California 14.6 .....	4
Federal Circuit Rule 36 .....	2
Federal Rules of Evidence, Rule 103 .....	5

No. 91-588

In The  
**Supreme Court of the United States**  
October Term, 1991

---

**ANDERS E. TRELL,**

*Petitioner,*

v.

**SENTEX SYSTEMS, INC., and WILLIAM R. DAVIS,**  
*Respondents.*

---

**Petition For A Writ Of Certiorari To The United  
States Court Of Appeals For The Federal Circuit**

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**PETITIONER'S REPLY BRIEF**

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**INTRODUCTION**

As required by Rule 15.6, the following statements of Petitioner are limited to the arguments first raised in "Respondents' Brief In Opposition" as their reasons for denying the Writ, and to misstatements of fact contained in Respondents' Brief as referred to in Rule 15.1.

## PETITIONER'S RESPONSES TO RESPONDENTS' ARGUMENTS FOR DENYING THE WRIT

### Respondents' Reason No. 1 (First Part)

Petitioner has failed to base his Petition on the District Court's findings of fact and conclusions of law as required.

#### Petitioner's Response

1(a). Petitioner is not required to base the Petition on the District Court's finding of fact and conclusions of law. Petitioner did not discuss Respondents' "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9" because it does not contain the District Court's actual bases for concluding that claims 4 and 9 of patent 3,947,641 are invalid. The District Court's bases are contained in its 'Memorandum Of Decision And Order".

The basis for the subject Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit is in accordance with Supreme Court Rule 10.1(a), i.e., that The United States Court of Appeals For The Federal Circuit has sanctioned (by affirming without opinion pursuant to Fed.Cir.R.36) a summary judgment of patent claim invalidity by the United States District Court for the Central District Of California, which summary judgment proceedings so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

The aforesaid summary judgment proceedings included several actions of the District Court which call for an exercise of the aforesaid power of supervision, the princi-

pal one of which is the District Court's "Memorandum Of Decision And Order" which contained the actual bases for the Judgment that claims 4 and 9 of patent 3,947,641 are invalid.

Thus, as briefly mentioned on pages 26 and 27 of Petitioner's "Opening Brief", the District Court relied on the so-called "*Winslow analogy*" from *In re Winslow*, 365 F.2d 1017 (CCPA 1966) as its basis for concluding that claim 9 is invalid, and there is no evidence to support such a holding.

At the end of the hearing on Defendants' (Respondents') "Renewed Motion For Summary Judgment", the District Court instructed Defendants' (Respondents') counsel to redraft his proposed findings of facts and conclusions of law in accordance with the Court's memorandum of decision and order (P.A. A-1).\*

Defendants' (Respondents') counsel recognized that there is no evidence to support the applicability of the aforesaid *Winslow analogy* and that the District Court's Memorandum Of Decision And Order was significantly deficient in other respects.

Accordingly, when preparing the aforesaid "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 and 9", Defendants' counsel ignored the District Court's instruction, omitted any reference to the *Winslow analogy*, and added eleven (11) new and different findings of fact and seven (7) new and different conclusions of law.

These additions and the reasons why Defendants' (Respondents') counsel thought it was necessary to include them are stated in a letter of September 10, 1990, which Defendants' (Respondents') counsel addressed to the

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\*The letters "P.A." refer to Petitioner's Appendix attached hereto.

District Court's deputy clerk several days *after* he had lodged the aforesaid proposed "Order" (P.A. A-3).

It is not known whether the District Court received the letter addressed to its deputy clerk, and if it did, whether the letter was read prior to the signing of the aforesaid "Order" on September 17, 1990.

In any event, as mentioned above, the District Court's Memorandum Of Decision And Order contained the Court's actual bases for concluding that claims 4 and 9 are invalid.

### **Respondents' Reason No. 1 (Second Part)**

Petitioner failed to object to any perceived inadequacies in the Findings Of Fact And Conclusions Of Law before they were adopted by the District Court.

### **Petitioner's Response**

- 1(b). Plaintiff's (Petitioner's) counsel was not afforded the opportunity to object to the contents of the Findings Of Fact And Conclusions Of Law prepared by Defendants' (Respondents') counsel.

The Local Rules of Practice for the United States District Court, Central District Of California, provide that opposing counsel can file and serve objections to only the *form* of the findings of fact and conclusions of law; not to the contents thereof. Thus, Local Rule 14.6 states as follows (P.A. A-6):

"14.6 SEPARATE OBJECTION — Opposing counsel may, within five (5) court days after service of a copy of a document prepared pursuant to Local Rules 14.1, 14.3 or 14.4, file and serve objections to

the form of the document and the grounds thereof. The failure to file timely objections shall be deemed a waiver of any defects in the form of the document."

Local Rule 14.3 pertains to findings of fact and conclusions of law.

In some cases . . . as in *Anderson v. City of Bessemer City*, N.C. 470 U.S. 564, 572 (1985) cited by Respondents . . . the opposing party was provided and availed itself of the opportunity to respond at length to the proposed findings.

No such opportunity was made available to Plaintiff (Petitioner) in the case at bench.

Federal Rules of Evidence, Rule 103, and *Purer & Co. v. Akliebologet Addo*, 410 F.2d 871, 876 (9th Cir. 1969) *cert. denied*, 396 U.S. 834 (1969), are totally inapposite to the issue which Respondents have raised.

### **Respondents' Reason No. 2**

Petitioner failed to raise before the Federal Circuit the issue of whether Respondents failed to carry their burden of proof showing that there is no genuine issue of any material fact.

### **Petitioner's Response**

2. Petitioner (Plaintiff) clearly raised before the Court Of Appeals For The Federal Circuit, the issue that Defendants (Respondents) had failed to carry their burden of establishing that there was no genuine issue as to any material fact.

Petitioner (Plaintiff) raised this issue in arguments numbers 3 and 4 in its "Revised Brief For Appellant, Anders E. Trell" (P.A. A-7).

## MISSTATEMENTS OF FACT IN RESPONDENTS' BRIEF IN OPPOSITION

### Page 9

"Even now, the Petition itself is barren of any material fact which is in genuine dispute."

### Page 10

"A third Witness, Mr. Janess, who did the detailed design work on the system, attested to the fact that the Marlee unit shown at the trade show was capable of operating in combination with the public telephone network, as attested to by Ahlstrom and Margolis."

### Page 11

"Moreover, Mr. Janess fully described the components of the Marlee system, and attested to the fact it was capable of operating with the public telephone network."

### Page 11

"Mr. Margolis additionally affirmed that he himself programmed the unit with the telephone number of the 'public subscriber' telephone in the booth, which the booth's visitors called during the demonstrations."

### Page 11

"Moreover, the prior art *Identifone* system, which also used the public telephone network, is prior art because it was also known and used (35 U.S.C. 102(a)), on sale (35 U.S.C. 102(b)), and described in a patent application filed before Petitioner's claimed invention date (35 U.S.C. 102(e))."

**Page 12**

"Even if there had never been a sale of the Lesher system, that U.S. Patent was prior art under 35 U.S.C. 102(e)."

**Page 13**

"Mr. Lesher's system was described in a patent granted on an application he filed on December 27, 1972; well before Petitioner's claimed invention date of June 7, 1973."

**Page 14**

"No witness with any pertinent technical skill testified in the District Court proceeding as to the alleged validity of the combination recited by Claims 4 and 9."

**Page 14**

"The declaration from Petitioner's so-called patent expert as to technical matters or as to 'obviousness' had no foundation, and was speculative, conclusionary and inadmissible. He is a patent attorney. His declarations fail to show any skill or experience in the relevant art, which the District Court held to be 'electrical and electromechanical security systems'. (R.A. 4a, ¶ 9). If his declaration as to 'obviousness' was offered as a 'patent expert', it remains irrelevant and without foundation since it was not based upon the testimony of one skilled in the art."

**Page 15**

"Moreover, the record establishes that the Swedish licensee did not know of the prior art before the District Court when the license agreement was entered into."

**Page 15**

"Similarly, the two U.S. licenses were found irrelevant by the District Court."

**Page 16**

"Petitioner produced *no competent witnesses.*"

**Page 17**

"Petitioner, in fact, consistently refused to give written assurance that Respondents would not be sued for infringement of Claim 4."

**CONCLUSION**

Because the arguments of Respondents do not defeat or overcome the reasons stated for granting the Writ, this Court is respectfully urged to issue an Order granting the requested Petition For A Writ Of Certiorari.

Respectfully submitted,

Charles E. Wills  
*Counsel For Petitioner*

Dated: November 14, 1991

**INDEX OF PETITIONER'S APPENDIX**

	<u>Page</u>
Hearing on Defendants' Motion For Summary Judgment Of Invalidity Of Claims 4 And 9, August 20, 1990 .....	A-1
Letter of September 10, 1990, from Defendants' attorneys to Deputy Clerk re Findings of Fact and Conclusions of Law .....	A-3
Rule 14.6 of the Local Rules of the United States District Court for the Central District of California .....	A-6
Arguments 3 and 4 in Revised Brief For Appellant, Anders E. Trell, before the Court of Appeals for the Federal Circuit .....	A-7



United States District Court  
Central District of California  
Los Angeles, California

ANDERS E. TRELL	)	Docket No.
<i>Plaintiff</i>	)	CV-89-3355-DT
	)	
vs.	)	
	)	Los Angeles, CA
SENTEX SYSTEMS, INC., et al.	)	August 20, 1990
<i>Defendant</i>	)	1:50 p.m.
	)	

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MOTION FOR SUMMARY JUDGMENT OF  
INVALIDITY OF CLAIMS 4 & 9

THE HONORABLE DICKRAN TEVRIZIAN,  
PRESIDING UNITED STATES  
DISTRICT COURT JUDGE

COURT RECORDER:	TRANSCRIPTION BY:
ELKE RAY	NORTHWEST
U.S. District Court	TRANSCRIPTS, INC.
	California Division
	P.O. Box 2390
	Monrovia, California 91017
	(818) 574-1075

Proceedings recorded by electronic sound recording,  
transcript produced by transcription service.

Now, I'm going to give counsel back — that's Mr. Seldon — back his proposed order granting summary judgment, as well as the proposed statement of facts and conclusions of law, so that you can redraft them in accordance with the Court's memorandum of decision and order. And I also need a summary judgment prepared — judgment and an order.

All right. I'm sure this matter's going to go to the federal circuit again and so as soon as possible, I'd like to get that from you.

MR. SELDON: Yes, sir, within the week.

MR. WILLS: Thank you.

MR. SELDON: Okay, thank you, Your Honor.

THE COURT: Uh-uh.

PROCEEDINGS CONCLUDED AT 2:12 P.M.

(Court is Adjourned)

\* \* \* \* \*

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September 10, 1990

Ms. Minna Neumaier  
Deputy Clerk  
U.S. Courthouse  
312 N. Spring St.  
Los Angeles, CA 90012

Via Messenger

Ref: Trell v. Sentex Systems, et. al  
Case No. 89-3355-DT(Kx)

Dear Ms. Neumaier:

I recently filed Defendants' Findings of Fact and Conclusions of Law, and Defendants' proposed order awarding summary judgment of invalidity of Claims 4 and 9 of the Trell patent. Judge Tevrizian asked me to amend the initially filed documents at the conclusion of the hearing on August 20, 1990.

In the course of amending the documents, I included a few undisputed findings of fact and conclusions of law which were not explicitly stated in the memorandum, but which are believed to be implicit.

The purpose of this letter is to briefly identify these findings of fact and conclusions of law for you, to insure that my draft conforms with the Court's expectations. Specifically, Finding Nos. 40-43 are

directed to the differences between the device recited by Claim 9 and the prior art devices of record. Although the Court's memorandum appears to recognize and discuss the differences, no specific sentences such as those contained in these Findings are in the memorandum.

In addition, Finding Nos. 40-43 positively state that the prior art systems were publicly known, in use and "on sale" in the United States prior to Trell's invention date.

Similarly, Finding Nos. 44-45 positively recite the uncontradicted facts set forth in Defendants' Memorandum of Points and Authorities.

Finding Nos. 46-50 have been included because of the patent statute's requirement that the invention be obvious to one of ordinary skill in the art. Although it is clear in the Court's memorandum that it relied on the Declarations of Messrs. Janess, Ahlstrom and Lesher, no specific sentence describes these gentlemen as having the requisite level of skill.

Turning to the Conclusions of Law, Conclusion No. 74 has been added as well as Conclusion Nos. 78-82. Again, these matters were contained in Defendants' Reply memorandum and were not disputed by Plaintiff.

Conclusion No. 85 is merely the ultimate conclusion of law. This conclusion varies slightly from the Court's language used on page 24, lines 6-13 of the Memorandum of Decision and Order. In the Memorandum, the Court indicated that an inventor with ordinary skill in the art *when confronted with the problem of trying to add a direct access feature to the Entraguard or Identifone systems would see the obviousness of combining the direct access feature of*

the Pacific Telephone system with the *Entraguard* or *Identifone* systems. Conclusion No. 85 makes it clear that a person of ordinary skill in the art having knowledge of the Pacific Telephone system and the *Identifone* and/or *Entraguard* systems, would have found the invention recited by Claim 9 obvious; in other words, both the *concept* and the *implementation* of adding the direct access feature would also have been obvious. The Court's language at page 24 might be interpreted as meaning that the *implementation* was obvious once the *concept* was arrived at.

I believe that the slight differences in language and the explicit recitation of certain factual and legal matters are all consistent with the Court's analysis and within the scope of its memorandum; however, I want to insure that you understand that the language does not track the memorandum word for word.

Sincerely yours,

ASHEN MARTIN SELDON  
LIPPMAN & SCILLIERI

/s/      ROBERT A. SELDON  
Robert A. Seldon

RAS:set

cc: Mr. Charles E. Wills

UNITED STATES DISTRICT COURT  
FOR THE  
CENTRAL DISTRICT OF CALIFORNIA

Effective October 1, 1983; as amended  
through May 28, 1991

*14.6. Separate objection.* Opposing counsel may, within five (5) court days after service of a copy of a document prepared pursuant to Local Rules 14.1, 14.3 or 14.4, file and serve objections to the form of the document and the grounds thereof. The failure to file timely objections shall be deemed a waiver of any defects in the form of the document. [Amended by General Order 275, filed 1-10-86, retroactive to 9-6-85.]

*14.7. Endorsement of counsel.* Unless the Court otherwise directs, no document governed by Local Rule 14 will be signed by the judge unless either opposing counsel shall have endorsed thereon an approval as to form, or the time for objection has expired. If it finds the ends of justice so require, the Court may conduct a hearing on the proper form of the document, or it may sign the document as prepared or as modified.

**REVISED BRIEF FOR APPELLANT,  
ANDERS E. TRELL**

---

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

---

NO. 91-1068

---

ANDERS E. TRELL,  
*Plaintiff-Appellant,*

vs.

SENTEX SYSTEMS, INC., and  
WILLIAM R. DAVIS,  
*Defendants-Appellees.*

---

Appeal From The United States District Court For The  
Central District Of California, No. CV 89-3355, The Hon-  
orable Dickran Tevrizian, United States District Judge.

---

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Attorney for Plaintiff-Appellant

3. Summary Judgment is precluded where there are genuine issues as to material facts. The movant bears the burden of demonstrating the absence of all genuine issues of material fact, and the district court must view the evidence in a light most favorable to the nonmoving party and draw all reasonable inferences in its favor.
- 

The burden on the moving party as stated above is enunciated in *Hodosh v. Block Drug Co., Inc.* 786 F.2d 1136, 1141 (Fed.Cir. 1986).

Fed.R.Civ.P. 56(e) further requires:

“Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein” (Emphasis added.).

The genuine issues of material fact which existed regarding Defendants' renewed motion for summary judgment included:

(1) The constructions of the Entraguard and Identifone apparatus, and whether either had been satisfactorily used (or was capable of being used) in combination with a public automatic subscriber telephone network prior to Trell's critical dates of June 3 and June 7, 1973,

(2) The construction and operation of the so-called Pacific Telephone system prior to the aforesaid Trell critical dates,

(3) What in the prior art teaches or suggests the “combining” of the so-called Pacific Telephone system with either the Entraguard or the Identifone system, and

(4) How the teachings of the Pacific Telephone system could be "combined" with either the Entraguard or the Identifone to "achieve" the subject matter of claim 9.

None of Messrs. Lesher, Margolis, Janess and Ahlstrom attended the hearing on Defendants' renewed motion for summary judgment to be cross-examined by Plaintiff's attorney, and therefore the District Court was prohibited by Local Rule 7.5.4 from relying on any statements in their declarations.

Because none of Messrs. Lesher, Margolis, Janess and Ahlstrom had been qualified as a patent expert, none was capable of providing an "opinion" as to whether the Entraguard or the Identifone apparatus embodied all of the features or means of claim 4, nor could any of them use the "hearsay" statements of Hector Ruiz regarding the purported construction of the Pacific Telephone system and provide an "opinion" as to the obviousness of "combining" the Pacific Telephone system with either the Entraguard or the Identifone. In short, Defendants *totally* failed to demonstrate the absence of all genuine issues of material fact.

**4. If a showing is made that would entitle the movant to judgment unless contradicted, the nonmovant has the burden to show that such a contradiction is possible. However, no defense to an insufficient showing is required.**

---

In *Harper v. Wallingford*, 877 F.2d 728, 731 (9 Cir. 1989), cited and relied upon by the District Court in its Memorandum Of Decision, the Circuit Court stated:

"The moving party has the burden of demonstrating the absence of a genuine issue of fact for trial. [case] If the moving party satisfies this burden, the opponent must set forth specific facts showing that

there remains a genuine issue for trial. FRCP 56(e). *However, no defense to an insufficient showing is required*" (Emphasis added.).

In *Cable Elec. Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1022 (Fed.Cir. 1985), also cited and relied upon by the District Court in its Memorandum Of Decision, the Circuit Court stated:

"If a showing is made that would entitle the movant to judgment unless contradicted, then Fed.R.Cir.P. 56(e) states that the nonmovant has the burden to show that such a contradiction is possible; it cannot rest upon its allegations and pleadings.

\* \* \* \* \*

"Here, once Genmark (the moving party) had established its *prima facie case* for summary judgment, *which would have included a prima facie case for overcoming the presumption of validity*, it fell upon Cable to submit evidence setting forth specific facts raising a genuine issue for trial" (Emphasis added.).

As pointed out above, the defendants totally failed to make a "showing" which would entitle them to judgment.

There was no admissible evidence as to the constructions of the Entraguard and Identifone apparatus, and no showing as to whether either had operated (or was capable of operating) in combination with a public automatic subscriber telephone network prior to Trell's critical dates. Also, there was no admissible evidence regarding the "obviousness" of combining the Pacific Telephone system with either the Entraguard or the Identifone apparatus.

On the other hand, the declaration of Plaintiff's patent expert, Walton E. Tinsley, contains the reasons for his opinion that it would not have been obvious to add a direct access feature to either the Entraguard or the Identifone apparatus, and that the Entraguard apparatus could have operated at the Miami show in the manner described by Messrs. Margolis and Ahlstrom by a direct connection or dedicated line, without utilizing the Miami telephone system.